

# LABOUR IN SOUTH EAST ASIA

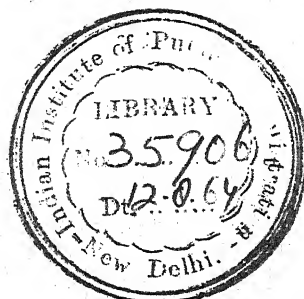
A SYMPOSIUM

## REFERENCE



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P. P. PILLAI

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## INTRODUCTION

In this symposium an attempt is made to present in outline a picture of the labour conditions prevailing in the countries of Southeast Asia. No apology is needed for drawing pointed attention at this juncture to the labour problems of these countries, for one result of the Second World War has admittedly been to render these problems more acute than before and the manner of approaching them more fraught with consequences, not only for the countries concerned, but for the world as a whole. Furthermore, especially after the experience of the inter-war and war years, labour problems are no longer regarded as secondary questions affecting a small and not very powerful section of the community; and it is now recognised that these problems cannot be disposed of swiftly by easy or arbitrary methods. The present trend is unmistakably to regard such problems from the broad perspective of the betterment of society as a whole; for no society can enjoy more amenities than what the productive capacity of its members enables it to command; and of the many factors which determine this capacity, labour is one of the most important.

Of the many changes wrought by the last war, changes which are still in process and the effect of which will continue to be felt for many a decade to come, the one on which the greatest stress has been laid is the emergence of 'One World'. But as students of evolution are aware, the development towards unity, far from obliterating diversity, accentuates it. In periods of marked social development the trends towards unification and diversification are both strong. It is not surprising, therefore, that as the idea of world unity steadily gained ground, the various parts of the world have shown signs of far-reaching changes in their own particular structure. Such changes are apparent everywhere. In Europe, for instance, the old forms of economic and social organisation are being modified or altered and innovations are boldly adopted.

In no part of the world have these changes been more rapid and far-reaching than in the countries of Southeast Asia. As a prelude to a survey of the labour situation in these countries, it may be useful to single out some of the main features of social and economic organisation common to all of them, which in the existing conditions justify their being regarded as parts of the same region. The term Southeast Asia

came into vogue in the war years, but its geographic connotation has been rather indefinite. Political factors and national predilections have alike tended to determine the actual extent of this area. In the present study, Southeast Asia means that part of Asia which is flanked on the one side by India and on the other by China, together with the neighbouring islands.

An outstanding feature of this area is that, from earliest times until a comparatively recent date, it has been strongly influenced by China and India. The cultural influences emanating from these two countries have tended to determine the way of life in the whole of this region. In taking account of this historic trend, it is necessary to keep in mind the further fact that both these countries were settled, and the respective patterns of their social structure formed, several centuries ago.

By far the most interesting feature of this region from the point of view of world development as a whole is that, within this area, which is no more than a seventh of the world's surface in extent, are packed as much as two-fifths of the world's total population. The total population of the world in 1940 has been estimated at 2,219 millions. The countries of Southeast Asia (China and dependencies—460 millions; India—390 millions; the Philippines—10 millions; Siam—16.3 millions; Burma—16 millions; Ceylon—5.9 millions; Indo-China—23.7 millions; Indonesia—69.5 millions; and the Malayan archipelago—4 millions) account for no less than 995.4 millions of this total. Not only is the pressure of population in Southeast Asia already great with reference to existing resources, but over most of this area there has been a rapid increase of population in the last few decades, and the tendency shows no signs of abatement. In China and India the increase is approximately at the rate of 4.5 millions a year in each case. This rate of increase may not be unduly high in comparison with that in some of the countries of Western Europe in the past century, but nevertheless the annual additions in numbers to the inhabitants of both these countries and the relative rates of increase at the present time in the population of Southeast Asia and that of other parts of the world are phenomena of great social and political significance. Should the present trend continue, India would have a population of 500 millions by 1971. Outside Asia the situation is far different. Thus, careful students of population problems consider that, demographically, Europe has reached maturity, and has attained population stability in a rapidly expanding world. At home, Europe faces economic and



cultural changes made necessary by the end of the population increase and the beginning of an era of stationary, if not actually declining, population. Europe has been geared to a swiftly expanding civilisation, one basis of which was a growing population. This element of expansion is now disappearing.<sup>1</sup> A similar tendency is discernible in North America also, and it has recently been estimated that, out of a probable total world population of 3.3 billion people in the year 2000, perhaps 2 billion will be in Asia.<sup>2</sup>

There is, however, a striking difference between the expansion of the population of Western Europe in the last century and that of Southeast Asia in the present century. The European expansion in population was a concomitant of expansion in production and of increase in wealth, while the expansion of population in Southeast Asia is unaccompanied by any such notable increase in wealth. The standard of living in Southeast Asia is notoriously one of the lowest in the world. The extent of the gap between the standard of living in the countries of Southeast Asia and that of the United States of America will be apparent from a calculation made by Mr. Colin Clark who, taking an international unit to mean the amount of goods and services which one Dollar would purchase in the USA over the average of the period 1925-34, estimated the average *per capita* real income in that country at 1,381 international units, as compared with 200 such units, in British India, and between 100 and 120 such units in China.<sup>3</sup>

Mr. Colin Clark has worked out another series of comparable figures showing the net output per male worker engaged in agricultural and pastoral industries in a number of countries for the period 1933-35. According to these calculations, by far the highest outputs per worker are found in New Zealand (2,444 international units), Australia (1,524 units), and Argentina (1,233 units). The USA output is 661 units, and that of Great Britain 475 units. In Japan, on the other hand, production amounts only to 120 units, and in Russia to 88 units.<sup>4</sup> A comparable estimate for China is about 46 units<sup>5</sup> and that for Southeast Asia 64 units.

This low productivity is the cumulative result of numerous factors. In the first place, the countries of Southeast Asia are all predominantly

1. Frank W. Notestein and others: *The Future Population of Europe and the Soviet Union*, League of Nations, Geneva, 1944, pp. 69-70.

2. Frank W. Notestein, *Population - The Long View*; in Theodore W. Schultz (Ed.) *Food for the World*, Chicago, 1945, p. 57.

3. *Conditions of Economic Progress*, Macmillan & Co., Ltd., London, 1940, pp. 41 and 42.

4. *Ibid.*, p. 246.

5. *Ibid.*, p. 244.

agricultural, and are among the oldest-settled in the world. In the main, their agricultural organisation is of the old autarchic type; and they have been forced, rather than prepared for and brought, into the highly competitive system of international trade of the nineteenth century. As they have been long settled, the soil under cultivation has been used up and its fertility has not been restored by suitable treatment. Protective measures such as soil conservation, afforestation and the like have been neglected, and it is only very recently that a beginning has been made in some places to harness science to agriculture. In addition, the fragmentation of the land, consequent upon the prevailing systems of inheritance and the increase in population, has led to the endless multiplication of uneconomic holdings, while other depressing features are absentee landlordism, insecurity of tenure, and staggering burdens of rural indebtedness.

These are some of the factors making for the low agricultural productivity of this region; in the field of industries, likewise, there are a great many handicaps that the countries of Southeast Asia have to overcome. As a matter of fact, these countries have, so far, been only slightly touched by the industrial revolution, which has been the most important single factor in the development of Western countries since the eighteenth century. There is sufficient evidence to show that, until the advent of the industrial revolution, development in Asian countries compared favourably with that of Western countries. The products of the East—specialised raw materials as well as manufactures—were greatly in demand in the West and were paid for by the precious metals which explorers and adventurers from Europe found in the New World. It was for this reason that the East was known even as recently as the latter part of the last century as the sink of the precious metals.

The industrial revolution brought about a reversal of the balance of advantages. As Western European countries became increasingly industrialised, they needed markets for the export of their manufactured goods; they also needed raw materials for their manufactures. There was intense competition among these manufacturing countries, with the result that force was freely employed to capture markets. The countries which were subjugated, annexed, intimidated or influenced, were jealously guarded as the special preserves of particular powers for monopolistic trade in raw materials from these countries and in manufactured goods to them. One of the most characteristic and least defensible feature of this colonial system consisted in the metropolitan



powers regarding the populous lands over which they had established their sway merely as sources of immediate profit. Industrial development in the metropolitan countries led to the enfranchisement of the masses there, and to social and political reform of all kinds; but since the wealth that made these reforms possible came from colonial exploitation, the theory was enunciated that the backward torrid zone regions of Asia should specialise in the production of raw materials, while the more advanced temperate zone countries of Europe would continue to hold a monopoly in the field of finance, transport and manufacture. And simultaneously with this economic doctrine was evolved the supporting theory that colonial peoples were unfit for political power. The results of the working of this system for over two or more centuries are well known: the wealth derived from the colonies was reinvested in them only to a negligible extent, and the economic development of the colonies for the prosperity of the colonial peoples was not regarded as one of the essential functions of the colonial governments. These governments contented themselves for the most part with the adoption of police measures for the maintenance of internal order and defence measures for purposes of security from external aggression.

The above account of the working of the colonial system is perhaps somewhat oversimplified, but the chief cause of the underdevelopment of Asian countries is that the wealth derived from them has not been systematically reinvested in them and that the governments concerned have for far too long taken much too narrow a view of their responsibilities. To sustain this thesis, it is not necessary to maintain that the colonial system has remained static. The system has undoubtedly shown signs of evolution, especially since the First World War. It is some time now since metropolitan financiers and industrialists began to extend or transfer their activities to colonial areas. The colonial workers have benefited by the enlightened outlook on labour questions which has characterised the metropolitan countries in latter years. Finally, there have been definite advantages for colonial areas from the economic, administrative and cultural contacts with the modern communities of metropolitan areas. All this notwithstanding, the evil effects of early neglect or worse have persisted, and by emphasising the helplessness of the masses in colonial areas, have led to the stultification of all efforts on their part for the betterment of their political or economic condition.

Into this area of stagnation, the Second World War has infused a new spirit. The immediate manifestation of this spirit consists in a

vague unrest, a revolt against the old order and any attempt to restore it, and the demand for swift changes which will usher in a better state of things. Underlying this impatience may be discerned a keen and commendable desire for improved ways of life, and anxiety on the part of the peoples concerned to assume responsibility for their own future. In the past, often enough, life had little of amenities to offer to these peoples. There was, however, the consideration that, if material progress was slow and disappointing, there was at least security from external aggression. World War II put an end to that illusion. It served to drive home the lesson that the best form of security for any country lies in its development, in the attainment of the necessary technical skill, in closer organisation and in sustained and purposeful activity. It taught that there is really no workable alternative to perpetual vigilance for any community anywhere. The present upsurge for liberty in all these areas can be understood only if it is viewed against this background.

The tasks which lie ahead are truly gigantic. The Southeast Asian countries are confronted with a social, an economic and an industrial revolution, all at the same time. Their populations have to attain by forced marches a degree of evolution which in Western countries was reached by comparatively slow stages. Without a substantial increase in productivity, the peoples of these countries cannot expect to improve their living standards or expand their social services. An increase in productivity involves investment, for the necessary equipment has to be obtained and arrangements made for training a large number of industrial workers. A sufficient volume of investment can be obtained only by saving or borrowing, and this may involve constraints in varying degrees. Not only saving or borrowing, but also an order of priorities, some system of careful planning, will certainly be necessary if development on the right lines is to be ensured. All this involves a considerable measure of social discipline, voluntary sacrifice, and purposeful effort of a kind which the pluralistic and loosely integrated communities of Eastern countries are apt to find most exacting.

The developed countries of the West can, however, make an important contribution to this process of evolution. With international assistance the task may be expected to be much easier. Such international assistance will in no way be a unilateral transaction, for as soon as the process of post-war reconstruction is well on its way and the technological advances made during the war have been applied to production, the Western countries are

once again sure to feel the strain of competition for markets. With larger markets capable of absorbing the products of the highly industrialised West, and with the necessary adjustments and co-ordination of production on a world basis, this process of competition is likely to be eased and the Western countries may spare themselves the disastrous effects which have attended such competition during the last fifty years or more. The potential markets are there in Southeast Asia, but they will become actual only if the process of development is assisted and speeded up in the proper way.

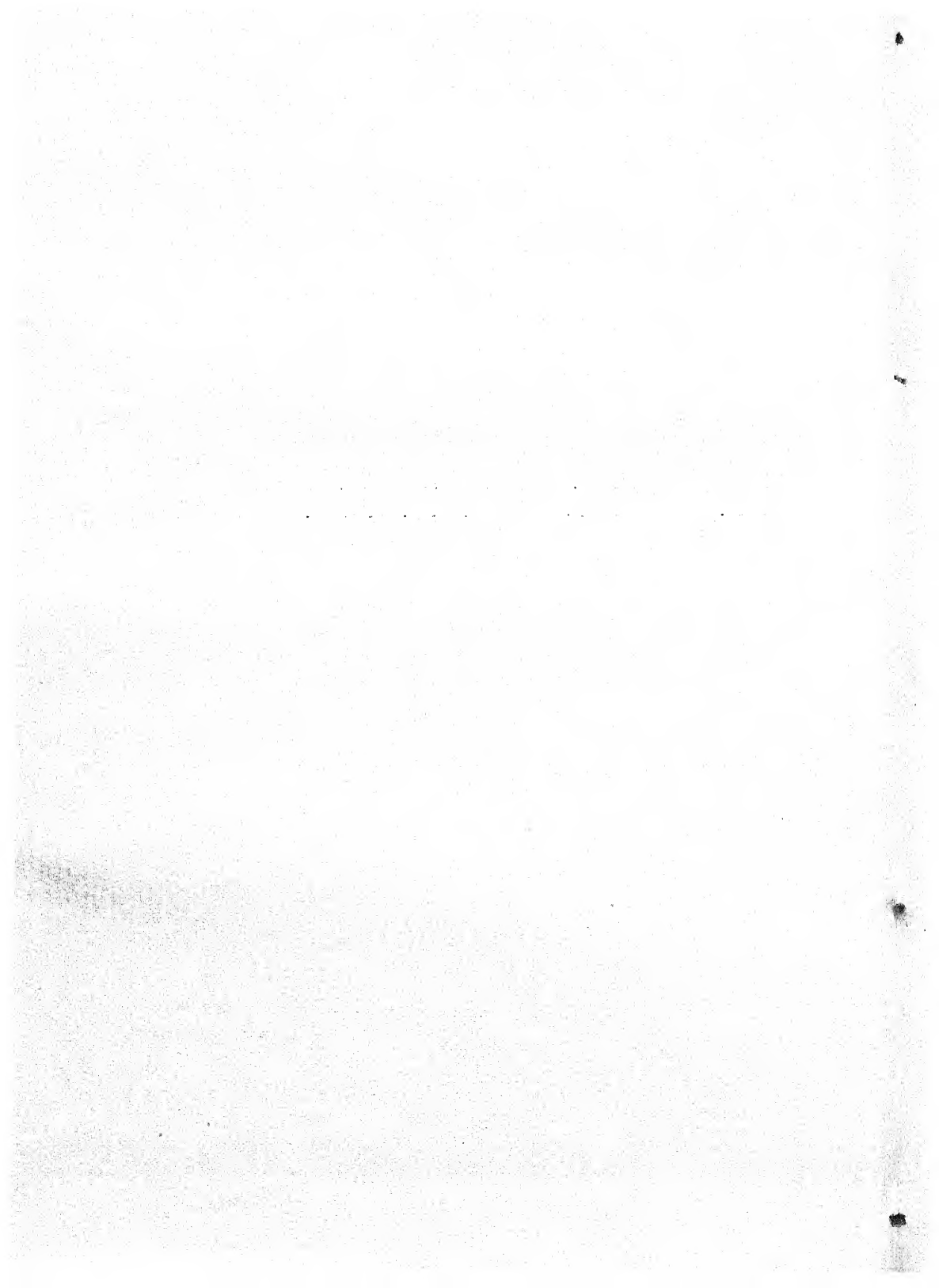
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The Editor was called upon to collect this symposium at a time when pressing official duties left him but little leisure for the task. He must therefore take upon himself the blame for its imperfections and appeal to the indulgence of the reader. The writers of the various monographs are all trained social observers though, except in two cases, they do not come from the countries the conditions of which they describe. Where opinions are expressed, they should be regarded as the individual views of the respective writers and as in no way involving the responsibility of the Editor or of the Indian Council of World Affairs. Finally, the Editor and the Publishers desire to tender their grateful thanks to all those who have assisted in one way or other in the preparation of this volume, and more particularly to the Bureau of Statistics of the Department of Labor of the United States Government, for kind permission to reproduce articles from the *Monthly Labor Review*.

New Delhi,    March 1947.

P. P. PILLAI

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## E R R A T A

Owing to the great haste with which this volume had to be rushed through the press, several printing and other mistakes have unfortunately remained undetected. No attempt is made in the following list to deal with the more obvious misprints ; attention is called only to some mistakes which affect the sense of the text.

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>For</i>	<i>Read</i>
1	1	14	minority in	minority is engaged in
2	1	1	regulate	regulated
4	1	14	tons, though	tons, and though
9	1	3	in railway	on railways
9	Heading of table: line 2		Mines Act, 1864	Mines Act:-1,864
9	Footnote	2	are	ore
11	2	8	in which	as
11	2	12	701,037	701,307
12	..	2 from top	employers recruit	employers to recruit
12	..	9 from bottom	Silk & hosiery	Woollen and hosiery
13	1	16	roads, repair and construction	road-repair and construction,
14	2	2-3	more wages may	money wages will
18	2	2	of	the
20-21	The sentence beginning with "under the terms" and ending with "to work a 72-hour week" from the bottom line of page 20 to the second line of page 21 should appear as a foot-note to the sentence ending with "period in 1943" at line 19 of page 20.			
22	..	4 from top	(and in some of the Provinces	and (in some of the provinces)
22	..	6 from top	combined	confined
23	..	1 from top	so	to
23	..	2 from top	ower	power

Page	Para	Line	For	Read
23	..	4 from top	1920 Conventions	1920, the ILO conventions
23	1	2	consolidate number	consolidating a number
23	1	5	in	is
26	1	7	arbitration legislation	arbitration ; legislation
26	1	8	as	and
27	..	1 from top	mechinists	machinists
29	2	7	Governments	Government
29	2	9	Committees can	Committee's work can
30	..	4 from top	in factories	"Factories
30	..	5 from top	employers, liability	employers' liability
30	..	8 from top	statistics	statistics"
30	..	9 from top	matters, the	matters. The
31	..	6 from top	shops, provision	shops, the provision
34	The heading of the last column in the table should be "Income per member" and at the top of the two previous columns must be inserted "Rs."			
43	1	17	insecurity and	insecurity, and
44	Last column in the table should be entitled "Total Amount of Compensation paid in Rupees."			
46	..	1 from top	from before	from work before
46	..	2 from top	months, service	months' service
47	..	14 from top	before	before and
48	..	16 from bottom	over weekly	over, weekly
58	3	12	acetic, acid	acetic acid,
60	Table	First column second figure from below	24,839	24,893
62	1	1	1842	1942
66	—	1 from top	principal	principal daily
66	At the head of the columns showing rates for agricultural and field labour		Rs.	Rs. cents.

Page	Para	Line	For	Read
66	—	7 from bottom	as	at
68	In both the tables delete 'Rs.' from the			percentage columns
75	—	5 from top	and	and from
79	—	2 from bottom	18th	1/8th
81	1	1	has	have
87	3	5	all any	all or any
88	1	2	(Colombo working class index) has	the Colombo working class index having
91	—	4 from top	1000	1000 F.
91	—	5 from top	600	600 F.
94	—	8 from top	Burma	Burman
97	1	1	leeway	headway
101	3	9	labourers	labourer
103	—	6 from top	district	distinct
114	2	7	assume	assure
131	Table last column third figure		2.62	26.2
133	2	10	to extent	to some extent
133	—	3 from bottom	buffaloes, the	buffaloes, but the
136	—	8 from bottom	being,	being the
136	—	1 from bottom	a stage	a later stage
137	—	1 from bottom	Vice-President	Deputy Chairman
140	—	Heading	Economic and Background	Economic Background
144	2	3	the force	the labour force
144	Table	Heading of last column	Persons and Service	Personal Service
144	—	2 from bottom (footnote)	industrial employment practically and	'industrial employment'; practically an
153	3	1	and	an
158 to 160	{ Throughout the section "Conditions under the Japanese", substitute the past tense for the present.			
171	—	7 from bottom	from	form



4	Page	Para	Line	For	Read
	172	1	2	tde	the
	174	1	1	the present war	World War II
	175	2	1	has taken	took
	175	2	2	so far, efforts	their efforts were
				have been	
	175	2	3	are	were
	178	2 & 3	—	substitute the past tense for the	present.
	180	1	3	the present War	World War II
	185	—	4 from top	expended	expanded
	186	—	8	ted	ed
	188	3	1	the present war	the war
	189	2	3	the present war	1939
	196	1	5	in given is	is given in
	197	2	5	work land	work on land
	203	2	2	the present war	1939
	207	—	3 from bottom	or	of
	208	table	column 1 line 4	indigen	indigenous
	208	table	column 1 line 5	labourous	labourers
	211	—	3 from bottom	plied	piled
	221	1	4	eight	eighth
	226	3	2	the Orient"	of the Orient"
	231	—	2 from bottom	homes wares	home-wares
	235	1	11	0.80	0.30
	237	2	1	hut	out
	237	2	6	pervail	prevail
	243	2	After line 3	insert "whether the injured person was in any way in fault or not, unless the accident"	
	245	—	14 from top	now	new
	252	2	3	the present war	World War II
	255	1	4	unemployment	the unemployed
	257	2	7	one-half	one-half to
	259	table 3	2 from bottom	weaving apparel	wearing apparel



## LABOUR IN INDIA

### Summary

NOTWITHSTANDING her vast natural resources and huge population approaching 400 millions, India has remained one of the poorest countries in the world with an estimated *per capita* income of only about Rs. 62 per annum in 1931. Her industrial development has been slow and haphazard and on the eve of World War II her factory industries and mining provided employment to only about 2 million workers out of a total working population which in 1931 exceeded 154 million. In 1931 British India had a total wage-earning population of about 50 millions, including 23.7 millions in agriculture, 12.5 millions in industry, 5 millions in trade, 1.8 millions in transport and 10 millions in domestic service. By 1941, the number of wage-earners is estimated to have risen to over 28 millions in agriculture and 34.5 millions in non-agricultural pursuits. Of this huge class of wage-earners only a small minority in organised industry—about 1.75 million workers in factories, 305,000 in mines, 900,000 on plantations and 700,000 on railways in 1939. During the war period between 1939 and 1944 employment in organised industry has, of course, gone up—factory employment by as much as 43.9 per cent. but this has not reduced appreciably the country's excessive dependence on agriculture.

Wages in India are low, and in the 'thirties, an agricultural labourer in the United Provinces earned only about 3 annas a day. In the years preceding World War II the average daily earnings of a male factory worker in Bombay Province ranged from Rs. 0-5-0 in the cotton gins to Rs. 1-11-4 in the engineering industry ; and in other provinces the rates were lower. Workers in the Jharia coal mines earned about Rs. 0-9-9 a day in 1939, while men, women and children in the Assam tea gardens earned as little as Rs. 7-15-3, Rs. 6-7-5 and Rs. 4-9-2 per month respectively. During the war years, money earnings have risen sharply but in few cases has the rise in money earnings been commensurate with the increase in the cost of living. In the inter-war period only the small minority of wage-earners engaged in India's factories, mines and railways enjoyed regular hours of work with

adequate rest intervals and a weekly holiday.

Conditions of work in factories in British India are today regulate by the Factories Act and in mines by the Indian Mines Act. Railway workers are to some extent protected by the Indian Railways (Amendment) Act and the evils of child-labour are sought to be brought under control by the Employment of Children Act. Legislation has also been placed on the statute book to protect the interests of India's seamen and dock workers, and a beginning has been made in extending the scope of legislative protection to workers employed in road transport, trade, and the innumerable small industrial establishments scattered over the countryside. During World War II the imperative need in India for rapidly expanding the production of war-supplies led the Government of India to take steps to mobilise all the available skilled labour for war-time production. Technical training schemes were initiated to increase the supply of skilled labour; lightning strikes and lockouts were prohibited; the Government took powers to refer industrial disputes to adjudication and to enforce the award; and a tripartite labour organisation modelled on the ILO was set up to promote joint employer-worker-State collaboration in matters affecting labour.

Trade unionism in India is of relatively recent origin and progress was extremely slow until the closing years of World War I. In the inter-war period trade unions increased steadily in number and membership, and India's membership of the ILO gave a further stimulus to workers' organisations. Between 1939 and 1944 there has been a further increase in the number and membership of trade unions in British India. Financially, however, trade unions in India have continued to remain weak, and the workers' lack of education and low income and the differences in language, and religion which divide the wage-earning class have been additional handicaps. The history of trade unions in India has also been marred by the recurrent struggle for leadership between organisations having differing political ideologies.

Industrial disputes began to figure prominently in India's industrial life in the years following the end of World War I, when the worker's earnings failed to keep pace with the rise in the cost of living. After 1930 came a period of relative industrial calm but with the outbreak of the Second World War in 1939 and the steady rise in the cost of living, industrial unrest again became widespread, and but for

the war-time emergency labour legislation, the number of industrial disputes during recent years should have been much larger. It is mostly in the textile industry, which is also the largest industry in the country that strikes occur ; and a considerable proportion of strikes end in failure owing to the Indian wage-earners' poor staying power. Statutory provision for the appointment of courts of enquiry and boards of conciliation was first made in British India in the Trade Disputes Act of 1929; the greatest progress in the evolution of machinery for the peaceful settlement of industrial dispute has, however, been made in the province of Bombay. An Industrial Disputes Bill, now pending before the Indian Legislative Assembly, provides for the prevention of strikes and lockouts without proper notice, especially in public utility services and essential undertakings, and the setting up of machinery for conciliation, and if necessary compulsory adjudication, in disputes between workers and employers.

The Workmen's Compensation Act of 1923 was the first piece of social security legislation in India and today compensation for occupational accident or disease is available to all manual workers earning less than Rs. 400 a year in India's factories, mines, ports, etc. Most of the provinces have introduced maternity benefits for women workers in factories, and since 1942 maternity benefit on a prescribed scale has been available to women workers in mines. A few of the larger employers in the country have also introduced provident funds and gratuities for the benefit of their workers, but taken together, all these schemes afford a measure of security against accident, occupational disease and maternity to only a small fraction of India's wage-earning class. Legislation to provide sickness insurance for India's factory workers is now under consideration, but the thousands of workers engaged in India's agriculture and trade and in domestic service have today almost no kind of protection against the risks of old age, sickness, accident and unemployment.

A programme of labour reforms to secure for India's wage-earners more healthy conditions of work and a better standard of living and to extend the scope of protective legislation to all classes of wage-earners figures prominently in India's reconstruction plans. A five-year programme of action for the betterment of Indian labour has already been drawn up by the Government of India and is shortly to be implemented by the Central Government in co-operation with the British Indian provinces and the Indian States,

### Introductory

With her vast natural resources and huge population approaching 400 millions, India would seem to have been marked out by nature to be one of the world's chief industrial producers. In textiles, India holds a very strong position, with an annual production of about 7 million bales of 400 lbs. each ; she is the world's second largest cotton producer ; she has a virtual monopoly in jute. She is the world's leading producer of hides and skins and ranks among the most important producers of oilseeds. Her production of 1.4 million tons of sugar in 1939-40 has made her the world's largest sugar producer. India's mineral resources also are fairly impressive. She has one of the largest high grade iron-ore fields in the world, possesses virtually unlimited supplies of manganese, and considerable deposits of high grade bauxite, chromite, mica, and copper. Her estimated coal resources range from 36 billion to 60 billion tons, though of this only about 5 billion tons are of good quality, and what she lacks in coal she more than makes up by her vast resources of hydro-electric power, estimated at about 27 million horsepower, of which only 3% have till now been tapped.

With all these resources, India has, paradoxically enough, remained one of the poorest countries in the world, with an estimated *per capita* income of only about Rs. 62 per annum in 1931-32. Industrial development began late in India, and in spite of the stimulus given by the First World War and the policy of discriminating protection adopted in 1923, India's factory industries and mining employed on the eve of the Second World War only about 2 million workers out of a total working population which in 1931 exceeded 154 millions. Between 1911 and 1931 the number of workers engaged in all kinds of manufacturing industry, including handicrafts, actually declined from 17.5 million to 15.3 million. The number of workers engaged in pasture and agriculture, on the other hand, has remained practically steady ; the figures are 106.5 millions in 1911, 106.4 millions in 1921 and 104.1 millions in 1931 (the 1931 figure should have been much larger but for a change in the census classification as a result of which a number of women workers were returned as domestic servants instead of as agricultural workers). The great majority of the more than 100 million workers engaged in agriculture are small peasants cultivating 'dwarf holdings' by primitive methods, but paradoxically again, with such a large percentage of its population dependent on agriculture, India has been

increasingly unable to grow all the food she needs, and in the 'thirties was depending, to an increasing extent, on imports of rice from Burma. India may, therefore, rightly be described as an example of 'arrested economic development'.

### The Labour Force

In 1931 British India had a total population of 257 millions, of which 121 million persons were gainfully employed as principal workers, working dependents or subsidiary workers. Of those gainfully employed, 78.0 millions were engaged in pasture and agriculture, 268,000 in mining, 12.5 millions in industry including handicrafts, 1.8 millions in transport, 6.2 millions in trade, 3.0 millions in public administration and liberal arts, and the rest in miscellaneous groups of occupations including domestic service which accounted for nearly 10 million workers. During the same year, in the Indian States, out of a total population of 81.3 millions, 41.4 million persons were gainfully employed—27.3 millions in pasture and agriculture and other extractive industries, 7.5 millions in industry, trade and transport, 1.5 millions in public administration and liberal arts, and about 5.1 millions in other miscellaneous occupations.

Accurate statistics are not, however, available as to the actual number of wage-earners in the different occupations. Numerically, agricultural labourers constitute the most important group of wage-earners in India, and their ranks are being rapidly swollen by the swift increase in population and the steady expropriation of the poorer peasants by the landlord and the money-lender. The number of agricultural labourers in India for every 1,000 ordinary cultivators, i.e., cultivating owners and tenant cultivators, rose from 290 in 1921 to 407 in 1931. The 1931 census estimated the number of agricultural labourers in British India at about 23.7 millions, and considering the fact that between 1931 and 1941 the total population of British India increased by 15.2 per cent. their number today should exceed 28 millions, including the 900,000 labourers employed in British India's tea, coffee and rubber plantations. Of the 12.5 million persons engaged in industry in British India in 1931, 1.4 millions were factory labourers, and the great majority of the rest were either employed as regular labourers in small industrial establishments which did not come under the Factories Act, or worked as independent craftsmen, such as weavers, blacksmiths and carpenters; and in economic status they



were little removed from the wage-earning class. Similarly, of the 6.2 million persons returned as engaged in trade, a very large proportion would be wage-earners in India's fast expanding trade, and a recent estimate puts their number at about 5 millions. During the same year, more than 780,000 persons were employed on India's railways alone, in addition to considerable numbers employed in dockyards, on tramways and in motor transport. The figure of 1.8 millions shown as engaged in transport in the 1931 census may, therefore, be taken to indicate roughly the number of actual wage-earners in the transport industry. Another important avenue of employment for large number of wage-earners is domestic service, and in 1931 this accounted for about 10 million persons. Considering the size of the country, the number of wage-earners employed in mining in British India is extremely small, and amounted in 1931 to only about 231,000. The number of non-agricultural wage-workers in British India in 1931 may thus be roughly put at about 30 millions. Assuming that, between 1931 and 1941, the number of wage-earners increased in the same ratio as the increase in total population, the number of non-agricultural wage-earners in British India in 1941 should be about 34.5 millions.

### **Distribution of Workers in Organised Industry**

*Factory Workers* :—Large-scale factory industry began to develop in India from the 1850's but until the outbreak of the First World War, industrial development was slow, being confined mainly to the cotton textile industry which established itself in Bombay, and to the jute industry in Bengal which was controlled largely by British capital.

The First World War not only gave a stimulus to industrial development but led to a decisive change in the attitude of the Government of India towards industrial development, and between 1923, when the Government of India first gave protection to the infant steel industry in India, and 1939, a number of new industries, including iron and steel, sugar, matches, paper and cement, established themselves, the last without any aid from the State and the others under the shelter of a protective tariff. From 316,000 in 1891, the average number of workers employed daily in factories in British India rose to 869,000 in

Atul C. Chatterji : *Federalism and Labour Legislation in India*, International Labour Review, April-May, 1944.

1912, and to 1.751 millions in 1939<sup>1</sup>. The following table shows the distribution of the factory workers as between different industries.

*Distribution of Factory Workers in British India in 1939*

	Number of factories	Average daily number of workers employed
Government Factories .. ..	374	132,446*
Cotton Spinning and Weaving Mills .. ..	836	486,853
Jute Mills .. ..	106	298,967
Cotton Ginning and Baling Presses (Seasonal) .. ..	1,879	123,879
Sugar (Seasonal) .. ..	254	74,872
" (Perennial) .. ..	12	2,036
Tea (Seasonal) .. ..	1,055	67,303
Rice Mills (Perennial) .. ..	1,158	45,409
" (Seasonal) .. ..	102	2,037
Railway Workshops .. ..	89	48,274
General Engineering .. ..	408	42,601
Iron and Steel Smelting and Steel Rolling Mills .. ..	19	40,790
Printing, Book-binding, etc. .. ..	655	30,942
Other Miscellaneous Factories .. ..	3,519	354,728
Total .. ..	10,466	1,751,137

\* These include 5 cotton mills employing 1,701 workers, 52 general engineering factories employing 7,735 workers, 25 ordnance factories with 30,709 workers, 45 printing presses with 12,555 workers and 74 railway workshops with 55,784 workers. Seasonal factories are those which work for less than 180 days in the year.

Source : *Statistics of Factories subject to the Indian Factories Act, 1934, for the year 1940.*

As can be seen from the above table, most of India's industries are concerned with the processing of her main agricultural products, and on the eve of the outbreak of the Second World War, India still lacked the essential foundations of a sound industrial economy, viz., heavy industries.

In the inter-war period, cotton spinning and weaving was India's most important industry, providing work for about 500,000 wage-earners. Next in importance came jute mills which employed about 300,000 workers. Cotton presses, sugar and tea factories and rice mills provided employment for a further 300,000 workers, and nearly two-thirds of India's factory workers were thus engaged in the processing of India's main commercial crops, cotton, jute, sugarcane and tea. As against this, only about 41,000 workers were engaged in iron and steel smelting and steel rolling, and 50,000 in general engineering.

Of the 1,751,137 wage-earners who worked in the factories in British India in 1939, 1,715,137 were adults, 26,597 were adolescents, i.e., persons above 15 but below 17 years of age and only 9,403 or 0.54% were children, i.e., persons between 12 and 15 years of age.

\* Strictly speaking, these figures are not comparable, as the definition of a factory under the Indian Factories Act has been changed from time to time.

In fact, the steady decline in number of children employed was one of the outstanding features of the composition of the industrial working class in India during the inter-war period. From 74,620 in 1923, the number of children working in factories in British India declined to 9,399 in 1940. Again, in many parts of the country where *purdah* is observed, very few women are willing to work in factories, and in 1939 the percentage of women workers to the total factory workers was only 13.7. The most industrially advanced provinces of British India are Bengal, Bombay, Madras and the United Provinces. In 1939, factories in these provinces employed 571,539; 466,040; 197,266 and 159,739 workers respectively. In recent years, Indian States also have begun to participate in the general industrial awakening, and the increase in the volume of factory employment in the Indian States between 1923 and 1939 is indicated in the following table.

*Factory Employment in India States*

	No. of Factories	1923	1939	
		Average daily num- ber of workers employed	No. of fac- tories	Average daily number of workers employed
<i>State-owned factories</i>	47	14,613	127	38,661
<i>All other factories</i>				
i. Textiles	78	43,208	175	117,554
ii. Engineering	24	2,187	64	5,189
iii. Minerals and Metals	10	547	34	6,583
iv. Food Drink & Tobacco	70	3,098	252	21,955
v. Chemicals, Dyes, etc.	62	5,248	108	11,460
vi. Paper and printing	8	657	31	2,036
vii. Wood, Stone and Glass	73	21,809	167	33,840
viii. Hides and Skins	34	2,117	32	2,960
ix. Gins and Presses	536	35,823	704	43,506
Total: <i>All other Factories</i>	922	119,218	1,627	260,433
Grand Total. (State-owned and all other Factories)	969	123,831	1,754	299,094

Source: *Statistical Summary of the Social and Economic Trends in India in the Inter-war period (1945) Table V.*

*Plantations:*—Next to factories come the large plantations growing tea, coffee, and rubber, controlled mostly by European capital, and localised in Assam and Bengal in the North East, and the province of Madras and the Indian States of Mysore, Cochin and Travancore in the South; in 1911 they employed more than 700,000 workers. In 1939, the tea gardens of Assam employed on an average 538,974 workers per day, and the daily average numbers of workers employed exceeded 204,000 in the tea gardens in Bengal and 209,000 in the tea, coffee and rubber



estates in South India. One of the characteristic features of plantation labour is the considerable proportion of women and children employed. In the tea gardens, about 45% of the workers are women; and in the coffee and rubber estates, women workers constitute about 40% and 25% of the workers respectively. Children form about 20% of the total number of workers in plantations in Bengal, 15% in Assam, and 10% in the South Indian tea estates. Among the Indian States, the States of Mysore, Travancore and Cochin have considerable areas under plantations and in 1942 they employed about 200,000 workers.

*Railway Workers* :—Another important branch of organised industry employing considerable numbers of wage-earners is railway transport. The number of persons employed in railway in British India rose from 370,437 in 1901 to 633,305 in 1913-14 and 701,307 on 31-3-1939.

*Mines* :—The development of the mining industry in India dates from the 1850's and between 1890 and 1914, the amount of coal raised in India increased six-fold. The average daily employment in mines in British India rose from 104,660 in 1901 to 260,113 in 1926 and has since then averaged between 200,000 and 300,000. The following table shows the number of workers employed in mines in British India covered by the Indian Mines Act :

*Employment in Mines in British India in 1939*  
(Number of Mines subject to the Indian Mines Act, 1864)

Average daily employment (Distribution by kind of work)			Average daily attendance (Distribution by category of Mine)		
Underground (Men)	..	146,827	Coal Mines	..	201,989
(Women)	..	Nil	Metalliferous Mines	..	103,355
In open Workings (Men)	..	50,306			
(Women)	..	26,353			305,344
Surface (Men)	..	57,765			
(Women)	..	24,093			
Total		305,344			

The employment in mines of children below 15 years of age is now prohibited by law, and in the years following 1929 the employment of women in underground work in mines was gradually reduced and finally eliminated in October 1931.<sup>1</sup>

<sup>1</sup> For India, including the Indian States, the average daily employment in mines amounted to 413,458 in 1938 : 226,867 in coal, 24,200 in gold, 19,577 in iron, 84,080 in manganese ore, 31,066 in mica and 57,665 in salt. *Statistical Abstract for British India, 1930-31 to 1939-40.*

## Wartime Changes in Employment in Organised Industry

The Second World War naturally led to an insistent demand for increased industrial production and India, along with Australia, became one of the industrial arsenals of the Allied forces in the Far East. India's steel and ordnance factories, her railways and general engineering workshops, and her chemical, leather, hardware, glass and textile factories, all expanded rapidly, and between 1939 and 1944, the average daily number of workers employed in factories in British India covered by the Indian Factories Act shot up by 43.9% to more than 2.5 millions.

### Factory Employment in British India in 1944

(Total Number of Factories—14,071)

Average daily employment (Distribution by Sex)		Average daily employment (Distribution by category of Factory)	
Men ..	2,209,503	Government Factories ..	420,435*
Women ..	269,720	Other Factories :	
Adolescents		Cotton (Spinning and Weaving Mills) ..	654,430
(Males) ..	26,659	Jute Mills ..	288,663
(Females) ..	3,524	Cotton Ginning & Baling	
Children		(Seasonal) ..	120,100
(Boys) ..	11,200	Sugar (Seasonal) ..	85,609
(Girls) ..	2,147	" (Perennial) ..	5,946
	2,522,753	Tea (Seasonal) ..	70,475
		Rice Mills (Perennial) ..	48,095
		" (Seasonal) ..	2,422
		Railway Workshops ..	29,840
		General Engineering ..	109,068
		Iron and Steel Smelting and Steel Rolling Mills ..	58,497
		Printing, Book binding, etc. ..	31,070
		Other Miscellaneous Factories ..	595,601
			2,520,251

Source : *Indian Labour Gazette*,  
September, 1946.

Source : *Indian Labour Gazette*, January, 1946

In 1944 the largest increases in employment over the 1939 figures among Government-owned factories were recorded by clothing establishments (+1150%), ordnance factories (+409%) and railway workshops (+100.5%). Among factories owned by private capital those engaged in the manufacture of leather (+169.2%), wood, stone and glass (+84.6%), engineering (+79.1%), minerals and metals (+65.5%) and chemicals and dyes (+58.9%) showed increases ranging above 50%. From the point of view of absolute increase in employment, however, the textile industry came first with an increase of 176,000 workers and engineering next with an increase of 117,000. An important feature of this war-time increase in factory employment was a striking increase in the number of children employed in factories. Their number rose from 9,399 in 1940 to 13,347 in 1944, an increase of about 42 %.

\* Includes 2,037 workers in cotton mills, 29,085 workers in general engineering workshops, 158,327 workers in ordnance factories, 14,806 workers in printing presses and 115,110 workers in railway workshops, all owned by Government.

The war-time increase in factory employment led to a redistribution of industrial leadership among the provinces. Bombay Province, with a total of 736,000 workers forged ahead of Bengal, and next in order came Bengal with 709,000, the United Provinces with 278,000 and Madras with 266,000 workers.

Side by side with the increase in the number of workers employed in factories, there was a sharp rise in employment in mines and railways. The war naturally led to an increased demand for coal, and the growing shortage of labour in the coal mines led the Government of India towards the end of 1943 to lift the ban on the employment of women underground in coal mines. The daily average number of persons employed in mines in British India rose from 305,344 in 1939 to 349,361 in 1943; the increase in coal mines was steeper in which the average daily employment rose from 201,989 in 1939 to 213,096 in 1943 and by February 1944 had jumped up to 288,234. With the war-time demand for the rapid transport of troops and supplies, the number of persons employed on Indian railways increased from 701,037 on 31-3-1939 to 827,244 on 31-3-1943 and 962,009 on 31-3-1945. As regards plantations, accurate figures are not available for Bengal and South India, but the figures available for employment in the tea gardens in Assam show that the average daily number employed rose from 538,974 in 1939 to 540,227 in 1941 but fell again to 521,667 in 1942 because of the War on the Assam border.

Very little reliable information is available as to the effects of the War on other categories of wage-earners in India, viz., agricultural workers, shop employees and domestic workers. Brisk recruitment for the army and other defence forces, large-scale construction of aerodromes in different parts of the country and the construction of military installations and roads, particularly in North East India, all led to a great demand for unskilled labour in India, particularly after the outbreak of hostilities with Japan in December 1941, and it is only logical to assume that much of this demand was met from the almost unlimited reservoir of landless agricultural labour spread over India's vast countryside.

### Recruitment

In the early days of organised industry in India, factories and plantations found considerable difficulty in recruiting the necessary labour owing to the reluctance of workers to leave their villages and

work in distant towns or plantations under strange environments. This forced the employers recruit labour through intermediaries and the system continues to this day, though during recent years, the rapid increase in population, the development of communications and the improvement of conditions of work have led to a steady increase in the volume of free labour which is available at the place of employment and can be recruited directly by the employer. The tea plantations of Assam recruit their labour from as many as seven provinces and 24 Indian States, and have set up for the purpose the Tea Districts Labour Association. This association maintains in the recruiting areas 19 depots known as Local Forwarding Agencies and makes suitable arrangements for forwarding the recruits to the tea gardens in Assam. Actual recruitment is largely done by garden *sardars* who are remunerated on a commission basis and the total cost of recruitment before the war was about Rs. 100 per recruit. In South India, the plantations recruit most of their labour through *kanganies* who recompense themselves by a commission on the wages of the workers they have helped to recruit. In the mining industry also the employment of intermediaries to recruit labour is almost universal. The greater part of the output of coal in India is obtained by labour working under 'raising contractors' who recruit the workers, and see to it that the coal is mined and loaded into wagons and in return receive from the management a fixed amount per ton of coal raised. The position is only slightly different as regards factories. Of course, unlike in the early days of factory industry in India, the smaller factories and the great majority of the perennial factories are today able to recruit the workers they need at their own gates, but the most common system is for recruitment to be effected through intermediaries, known variously as jobbers, *mukkaddams* and *maistries*. An investigation carried out in Bombay Province in May 1934 revealed that 135 out of the 177 cotton mills, 13 out of the 22 silk factories and all the silk and hosiery factories covered, recruited their labour through jobbers or *mukkaddams*. In most cases the intermediary not only recruits the workers but also continues to control them so long as they are employed in the factory. There is, therefore, very often no direct contact between the management and the actual working force.

The evolution of a class of industrial workers solely dependent on employment in organised industry is not yet a complete process in India. As the Royal Commission on Labour in India has emphasised,

industrial workers in India are not 'pulled' so much as 'pushed' to the city. The monotonous nature of factory work, the insanitary and overcrowded houses and the high incidence of sickness in towns, and the extremely individualistic character of city life still continue to make the worker reluctant to leave his village and his ancestral plot of land, and even when he is forced by economic necessity to seek employment in the cities, he invariably retains his nexus with the land and returns to the village every now and then. Such a combination of urban and rural life has the advantage of ensuring for the worker a better standard of health, but from the point of view of the employer it is a definite handicap, as it leads to frequent absenteeism and a high rate of labour turnover which react adversely on the industrial efficiency of the worker.

### Unemployment—Employment Exchanges

The problem of unemployment in the sense in which it is understood in advanced industrial countries has not yet emerged definitely in India, though between 1928 and 1933 there was some noticeable unemployment and under-employment in India's factory industries, mines and railways as a result of the world-wide economic depression. India's main problem, on the other hand, has been the under-employment of the millions engaged in agriculture who are forced to be idle on an average from 3 to 5 months in the year. Besides, the ever-present spectre of chronic under-employment, the recurrent failures and vagaries of the monsoon throw thousands of agriculturists out of work in some part of India or other almost every year. To meet the ever-present danger of famine, the Government of India has progressively perfected, since the 'eighties of the last century, a system of famine relief under which able-bodied workers in the famine-stricken areas are provided remunerative employment in public works such as roads, repair and construction but a satisfactory remedy for the chronic under-employment in agriculture has yet to be found. In spite of the fact that India ratified the ILO Unemployment Convention which she subsequently had to denounce, no attempt was made by the Government of India to set up a system of employment exchanges in the years before World War II. With the approach of the termination of hostilities, however, the question of finding suitable employment for India's returning ex-servicemen began to engage the attention of the authorities, and in 1945 the Labour Department of the Government of India evolved a



plan to set up in the country a chain of employment exchanges to help the resettlement of ex-servicemen. The scheme has made rapid progress and by May 1946, 65 employment exchanges including 1 central, 9 regional and 55 sub-regional employment exchanges had been set up in different parts of India. To begin with, these employment exchanges are concerned mainly with the resettlement of ex-servicemen, but they are expected ultimately to develop into a chain of public employment exchanges which will help in the placement of all unemployed workers. Between July 1945 and May 1946, a total of 222,091 persons registered for employment at these employment exchanges and of these 35,572 persons were placed in employment.

### Wages

Owing to the vast size of the country wages in India differ not only from occupation to occupation but also from one part of the country to another. The broad trends with regard to the movements of wages and of the cost of living are, however, not dissimilar in the different parts of the country.

*Agricultural Labour* :— Agricultural labourers are often paid partly in cash and partly in kind and mere comparisons of mere wages may not, therefore, give a correct idea of the trend of the workers' earnings. On the eve of the Second World War, in Bengal the annual wages of agricultural labourers ranged from Rs. 8 to Rs. 24 supplemented by payments in kind, while an investigation in certain rural areas in the Bombay Province in 1940 revealed that labourers on non-irrigated lands received about Rs. 25 per annum per head and labourers on irrigated lands Rs. 31. In the canal colonies of the Punjab, wages were higher; the agricultural labourer got Rs. 10 per month in addition to food and cloth. Considering the increasing pressure of the population on the soil and the absence of adequate avenues of alternative employment, the long-term trend of agricultural wages (real wages) in India should be in the downward direction, and this hypothesis would seem to be confirmed by the following estimates for Bengal made by Radhakamal Mukerjee.

Remuneration of field labour without food (in annas)	1842	1852	1862	1872	1911	1922
Price of rice (seers per rupee. 1 seer=2 lbs. 1 rupee=16 annas).	1	1½	2	3	4	4 to 5
	40	30	27.1	22.7	15	5

The real wages of agricultural labour in Bengal would thus seem to have fallen by 20% to 50%. Wages in the United Provinces in the 'thirties were about 3 annas a day according to the *Quinquennial Wage Survey Report* (1934).

As regards the effect of the war on agricultural wages there is little definite information, but undoubtedly money wages must have gone up due to the war-time shortage of labour, the competitive influence of the higher wages paid in Government-sponsored war works and in factories, the influence of recruitment for the Defence Forces in the rural areas and the rapid rise in the cost of living. The following figures regarding agricultural wages in Madras may be taken to indicate roughly the trend of agricultural wages in India.

*Agricultural Labour: Daily wage rates in Madras in 1939 and 1945*

	Men		Women		Boys	
	1939	1945	1939	1945	1939	1945
	As. Ps.	As. Ps.	As. Ps.	As. Ps.	As. Ps.	As. Ps.
Zone I. Vizagapatam ..	6 6	12 0	3 0	6 6	3 0	6 6
Zone II. Circars—Coastal ..	7 4	19 0	5 2	13 4	3 8	12 8
Zone III. Circars—Uplands ..	8 0	16 0	6 0	12 0	4 0	10 0
Zone IV. Deccan District ..	4 3	14 6	3 0	11 0	2 3	8 0
Zone V. Carnatic ..	7 0	17 0	7 0	13 0	7 0	11 0
Zone VI. Cauvery Delta ..	5 4	13 3	3 0	7 0	2 7	5 8
Zone VII. Central Districts ..	5 5	15 8	3 2	9 7	2 4	6 9
Zone VIII. Extreme South West ..	12 0	22 0	6 6	11 0	4 6	9 0
Zone IX. Extreme South East ..	5 0	13 0	2 9	8 6	2 9	7 6
Zone X. West Coast ..	4 6	17 0	3 0	9 0	2 3	7 0

Source : *Report of the Economist for Inquiry into Rural Indebtedness*, Government of Madras (1946), page 48.

*Industrial Labour* :—Information collected by the Government of Bombay in 1892 revealed that cotton mill wages had remained at about the same level since 1860. Between 1895 and 1914 wages rose along with a simultaneous rise in prices.

*Average Monthly Earnings per head in Cotton Mills in Bombay Province : 1914 to 1937*

Place	Class of Labour	May 1914 Rs. A. P.	May 1921 Rs. A. P.	August 1923 Rs. A. P.	1934 Rs. A. P.	1937 Rs. A. P.
Bombay City	Men	18 6 8	34 15 1	35 10 7	28 15 8	28 4 10
	Women	10 0 10	17 6 6	17 5 6		
Ahmedabad	Men	15 7 1	34 1 11	33 0 9	35 1 2	30 11 10
	Women	9 15 11	19 9 4	18 2 7		
Sholapur	Men	14 3 11	15 13 0	22 3 10	18 15 4	18 6 2
	Women	5 13 11	10 15 9	8 9 7		
Whole province	Men	17 0 8	33 6 10	33 1 10	28 11 4	27 5 8
	Women	9 0 1	16 9 1	16 3 10		

Source: Wadia and Merchant : *Our Economic Problem*, pages 343-44.

Working Class Cost of Living Index  
Bombay City, July 1914=100

Year	Cost of Living Index
1914	100
1921	173
1923	154
1934	97
1937	196

There was a rise in the real wages of mill workers between 1914 and 1923; between 1923 and 1934 real wages rose still further because, while the Bombay City cost of living index fell from 154 to 97, wages remained almost stationary. Between 1934 and 1939, particularly after 1937, workers' earnings declined by about 4% but the cost of living index rose by 6%.

As regards wages in other industries, a general wage census was carried out by the Bombay Labour Office in a number of perennial factories in May 1934 and seasonal factories in 1936. The results are tabulated below.

*Average Daily and Monthly Earnings in a number of Industries  
in Bombay Province*

	Average Daily Earnings						Average Monthly Earning		
	Men			Women			Rs. A. P.		
	Time Rs. A. P.	Piece Rs. A. P.		Time Rs. A. P.	Piece Rs. A. P.				
Cotton Mills (May 1934)	0 15 7	1 8 6		0 10 3	0 10 0				
	Rs.	Men As.	Ps.	Rs.	Women As.	Ps.			
Engineering Industry (May 1934)	1	11	4		..		39	3	10
Printing Industry (May 1934)	1	6	2		..				
Cotton Gins (1936)	0	5	0	0	3	0	34	5	6
		to			to				
Pressing Factories (1936)	0	6	0	0	5	0			
Rice Mills (1936)	upto 0	11	0	0	3	0			
	0	7	0	0	5	0			

Wages in the other provinces are generally lower than in Bombay. Thus in the 'thirties the average monthly wages of a weaver, spinner and unskilled coolie ranged round Rs. 26, 15, 11, respectively at Nagpur, Rs. 23, 15 and 10½ respectively at Madras and Rs. 22½, 15 and 11 respectively at Calcutta.

Miners' wages are low compared to those of mill workers. In the Raniganj coal field in 1930 men's wages per month varied between Rs. 12 and Rs. 16 and women's between Rs. 6 and Rs. 8. In common



with the wages of other classes of workers, miners' wages declined sharply between 1930 and 1935 but were recovering slowly on the eve of the outbreak of the war in 1939.

*Average daily earnings of underground workers (in December)*

Year	Jharia Coal Mines	Index	Madras Mica Mines	Index	C.P. Manganese Mines	Index	Retail prices of food grains All-India Index 1373-100
1926	0-15-0	100	0-6-0	100	0-10-3	100	303
1934	0- 8-0	53	0-4-0	75	0- 6-0	59	148
1936	0- 7-6	50	0-4-9	79	0- 6-0	59	158
1939	0- 9-9	65	0-6-3	104	0- 7-0	68	181

The wages of plantation workers are among the lowest in India. The average monthly wages of men, women and children in the tea gardens in the Assam Valley declined from Rs. 14-1-5, Rs. 11-4-2 and Rs. 7-6-1 respectively in 1928-29 to Rs. 6-13-2, Rs. 5-10-4 and Rs. 4-0-2 respectively in 1935-36, and rose again to Rs. 7-15-3, Rs. 6-7-5 and Rs. 4-9-2 respectively in 1938-39. Obviously the wages of plantation workers in 1938-39 were still considerably below the 1928-29 level.

During the years following 1939 workers' nominal earnings rose sharply, partly as a result of the increase in the demand for labour and partly as a result of the dearness allowances, bonuses, etc., granted to their employees by the Governments, Central and Provincial, and all large-scale employers to meet the rapid rise in the cost of living. Workers in perennial factories secured the largest increases in money income, and the average annual income of a worker in perennial factories in British India rose from Rs. 287 in 1939 to Rs. 586.5 in 1944, an increase of about 104 %. As the following table shows, the earnings of workers in textile factories registered the largest increase, while those of workers in the minerals and metals group registered the least increase.

*Average earnings of factory workers in the different industry groups in British India*

I n d u s t r y	Workers covered (in thousands)	Average annual earning in Rupees		Percentage increase in 1944 over 1939
		1939	1944	
Textiles .. .. .	1,016	293.5	633.6	115.1
Engineering .. .. .	265	263.5	589.8	86.5
Minerals and Metals .. .. .	95	457.2	573.5	23.8
Chemicals and Dyes .. .. .	86	244.8	484.6	97.1
Paper and Printing .. .. .	63	332.7	474.1	42.6
Wood, Stone and Glass .. .. .	88	194.2	368.4	87.7
Skins and Hides .. .. .	34	235.8	532.1	83.1
Ordnance Factories .. .. .	169	361.9	546.8	51.0
Mints .. .. .	8	397.4	695.2	89.2
Miscellaneous .. .. .	59	281.2	513.8	81.4

Source : *Indian Labour Gazette, May 1946.*

Even these spectacular increases in the earnings of factory workers have not compensated them adequately for the steady increase in the cost of living. As against an increase of about 104% in the earnings of factory workers between 1939 and 1944, the working class cost of living index in December 1944 (base August 1939=100) was as high as 225 in Bombay, 289 in Ahmedabad, 297 in Cawnpore, 254 in Nagpur, 271 in Lahore and 213 in Madras.

All other classes of wage-earners fared much worse than the workers in perennial factories. After successive upward revisions of dearness allowance allowed to the lower paid staff on railways amounted in 1945 to only 17½ % of the monthly wage or a prescribed minimum varying between Rs. 20 to Rs. 12 according to the locality, whichever was higher, and in the Assam valley tea gardens, in 1944, the daily wages showed an increase of only 35% over the 1939 figures. As against this, however, both in the railways and in the plantations, the managements set up a number of shops for the supply of foodstuffs and other essential requisites at concession rates. On the railways, the first cheap grain shops were set up in 1941, and at the close of March 1945 there were 729 grain shops serving about 860,000 ration card holders (viz., Railway workers) and dealing in a wide range of commodities. The average relief per ration card holder per month was estimated at Rs. 10 in 1944-45. The monthly *per capita* cost of the food and cloth concessions in sampled gardens in Assam came to about Rs. 5-8-6 in Assam, or according to the estimates of the Indian Tea Association Rs. 0-10-9 for every rupee of total wages. The Report of the Labour Investigation Committee on Labour in Plantations in India estimates that, while the cost of living since 1939, has gone up by at least 200 % in the plantation areas in North-Eastern India, the total earnings of plantation workers including the value of the foodstuff and cloth concessions has gone up by only 100%.

*Other Workers.*—Little reliable information is available as regards the earnings of the other important classes of workers in India, either for the period before or for that after the outbreak of the Second World War. The reports of the Labour Investigation Committee on the conditions of labour in a number of non-regulated industries, such as *bidi*, mica and shellac factories and workshops engaged in the manufacture of glass, reveal that the average earnings of workers in all these industries have risen by about 100% since 1939. Wages in the non-regulated factories and workshops are invariably lower than those in the organised

industries, and it is reasonable to assume that the great majority of the wage-earners engaged in trade, in casual labour or in domestic service earn much less than factory workers. As in the case of the non-regulated factories, all available evidence indicates that the wages of these classes of labour also have gone up since 1939, but in no case has the increase been sufficient to offset the almost threefold increase in the cost of living.

### Hours

Only the small fraction of about 5 million workers employed in India's organised industries out of a total wage-earning population of about 60 million enjoys the privileges of regular and limited hours of work, specified rest intervals and weekly rest days.

*Factories.*—In the early days of the factory industries in India, long hours of work were not uncommon and, even as late as 1908, the usual working day in cotton gins was 14 to 15 and sometimes 18 hours. A series of Factories Acts have, however, reduced the length of the working day, and on the eve of the outbreak of the Second World War, hours of work in factories in British India were regulated by the provisions of the Factories Act of 1934. The Act limited the hours of work of adult workers to 54 a week and 10 a day in perennial factories, and 60 a week and 11 a day in all seasonal factories which did not work for more than 180 days in the year.

The cotton mills in Bombay and elsewhere generally worked a 54-hour week with a 9-hour day ; in the seasonal factories the hours were longer. Thus the wage censuses undertaken by the Bombay Labour Department in 1934 and 1936 revealed that, generally, the cotton gins and presses and silk and woollen factories worked for 10 hours a day, the gur factories up to 12 hours, and factories engaged in hosiery production from 9½ to 10 hours. In almost all the factories regular rest intervals were observed as stipulated in the Factories Act. Again, under the provisions of the Factories Act all workers in factories are entitled to a weekly holiday either on a Sunday or on any other week day. During the year 1940, in the case of perennial factories 4,637 granted their workers a rest interval of one hour or more ; 70, rest intervals of two half hours ; and 338, of one half-hour. Among seasonal factories, 2,756 granted a rest interval of one hour or more ; 35 rest intervals of two half-hours, and 54 of one half-hour.

With the outbreak of war in 1939, production had to be expanded rapidly, and as an emergency measure, the Central and Provincial Governments were forced to relax the hours of work provisions of the Factories Act in respect of establishments in the textile and a number of other industries engaged in urgent war work. In November 1941 the Government of India permitted an increase in the weekly hours of work in respect of all cotton spinning and weaving mills from 54 to 60, with overtime pay for the extra six hours at  $1\frac{1}{4}$  times the normal wage rates. In jute mills in Bengal, hours of work within the limits prescribed by the law are settled by the Indian Jute Mills Association, and throughout the war-period were regulated according to the demand for jute and the availability of coal for running the factories. Thus during 1940, the weekly hours of work of jute mills were reduced from 60 to 54 in April, and again from 54 to 45 following a slump in the demand. In 1941, following a sharp rise in the demand for jute, the hours of work in mills were first raised from 45 to 50 as from 1-9-1941, and again from 50 to 54 in October 1941. Following urgent orders from the U. S. Government the weekly hours were further raised from 54 to 60 for a short period in 1943. An amendment to the Factories Act enacted in 1945 gives all adult workers in factories an annual paid holiday of ten days, and children in factories a paid holiday of 14 days per year. With the termination of hostilities, the Factories (Amendment) Act of 1946 which came into force recently has further reduced the hours of work to 49 a week in perennial and 50 a week in seasonal factories, with pay for overtime at double the normal rates. Even before the passing of the amending Act of 1946, however, quite a number of workers in organised industries in India were working a 48-hour week. Thus investigations carried out by the Labour Department of the Government of India in 1945 revealed that in the engineering, iron ore, sugar and cotton ginning and baling industries, as also in the case of tramways and bus services in two provinces and in ports, a 48-hour week was already in force for about 947,000 workers.

*Mines and Railways* :—Hours of work in mines in India were first regulated by law in 1923, and are today governed by the provisions of the Indian Mines Act of 1935 which prescribes for miners a 54-hour week, with a 10-hour day for those who work above ground and a 9-hour day for those who work below. The actual hours of work in the major mines which are subject to the Indian Mines Act are, however, considerably lower. Under the terms of the Working Time Agreement

renewed for a period of five years from December 1944, mills with 220 looms and under have been allowed to work a 72-hour week.

The hours of work of railway workers in India (other than those engaged in railway workshops which are subject to the Indian Factories Act) are limited by the Railways Act of 1930 to 60 a week on an average in any month, except in the case of intermittent workers who may not work for more than 84 hours a week. Railway workers whose services are not essentially intermittent are also entitled to a weekly rest day. In 1942, as an emergency measure, the Government of India took over powers to suspend the rules relating to hours of work of railway servants, but for work beyond the maximum number of hours permitted under the Indian Railways Act, a rate of pay of not less than one and a half times the ordinary rate was prescribed. All the major railways in India today come under the scope of the Hours of Employment Regulations, and, in 1943-44, the number of workers protected by the regulations amounted to 568,470.

*Plantations* :—Hours of work on the plantations are not regulated by law. In the plantations of North India, labourers usually work from 8 a.m. to 2 or 3 p.m. In the South Indian tea and coffee estates, the hours are usually longer, from 8 a.m. to 5 or 6 p.m., with a rest interval of one hour which is often encroached upon. Sunday is usually a holiday in tea and coffee estates except in the busy season. Some gardens in Assam grant two or three paid holidays a year, but the large majority of the gardeners grant no paid holidays.

*Workshops, Trade, Domestic Service and Agriculture* :—The other main classes of wage-earners in India are workers in unregulated workshops, such as *bidi*, shellac and mica factories, (in the aggregate they should number much more than the total number of factory workers in India), workers in shops and restaurants, domestic workers and agricultural labourers, and their hours of work, rest intervals, paid holidays and other conditions of service are almost entirely unregulated. Only in one province, viz., the Central Provinces and Berar, has an attempt been made to regulate the conditions of work of wage-earners in non-power using workshops.

The Central Provinces Unregulated Factories Act, 1937, limits the hours of work in such workshops to 10 a day. Very few workers, however, come under the scope of the Act as it applies only to specified workshops employing 50 or more persons. As regards shop workers, legislation recently adopted in Bombay (1939), Punjab (1940), Bengal



(1940) and Sind (1940), and a Government of India Act adopted in 1942, seek to secure for workers in shops, theatres, restaurants and other commercial establishments hours of work below a prescribed maximum limit, a weekly (and in some of the provinces an annual paid holiday and a number of other privileges. The scope of the Acts however is extremely limited as their application has been combined to a few towns and the administration has been left to the local authorities. As regards domestic servants and agricultural labourers there is no specific legislative enactment in any part of India regulating their conditions of service. In general their hours of work are long; and they enjoy very few of the privileges such as specified intervals of rest, a weekly holiday with pay and an annual holiday, which workers in industrially advanced countries regard as among the minimum of rights to which every wage-earner is entitled.

### Labour Legislation

The earliest labour enactments in India related to plantations and were more concerned with providing the tea or coffee planter with a steady labour force than with the protection of the interest of the workers. The Workmen's Breach of Contract Act, 1859, the Employer and Workmen's (Disputes) Act, 1860, and the Indian Penal Code, 1860, all made it a penal offence for a worker to break the contract of service and were retained on the statute book till as late as 1925. The earliest enactment to give some degree of protection to plantation labour was the Assam Labour and Emigration Act, 1901. Recruitment to the plantations in Assam today is governed by the Tea Districts Emigrant Labour Act of 1932, but besides regulating the recruitment of labour, providing for the food and accommodation of the worker during the journey from his village to his plantation in Assam, and granting the immigrant labourer, after three years of service in the estate, the right to repatriation to his village at the expense of the employer, it does little to regulate the actual conditions of work on plantations.

As in other countries, in India also labour legislation began with the women and children in factories and gradually widened its scope to cover wage earners in other categories of employment. The first Indian Factories Act was passed in 1881 and the first Mines Act in 1901. But up to the end of the First World War the pace of labour legislation was slow. The inter-war period was more fruitful, and this may be attributed partly



so the strength of the Indian labour movement, partly to the advent to power in the provinces after 1921 of popular Governments responsible to an enlarged electorate and partly to India's membership of the ILO. In the years following 1920 conventions supplied a powerful urge in favour of progressive labour legislation and the Indian Factories Act, 1922, the Indian Mines Act, 1923, the Indian Railway (Amendment) Act 1931, the Indian Port (Amendment) Acts, 1922 and 1931, the Indian Dock Labourers Act, 1934 and the Employment of Children Act, 1938, were all the direct consequences of the ratification by India of some of these ILO Conventions.

Factory labour in British India today is protected by the Factories Act of 1934 amending and consolidate number of earlier measures, including the Indian Factories Act, 1922, which gave effect to the ILO Conventions relating to hours of work the minimum age for admission to industrial employment and night work for women. Its application is however restricted to factories using mechanical power and employing 20 workers or more, though recent amendments have sought to extend its scope. Thus by an amending act in 1940 its provisions concerning health, safety, children and registration have been extended to 'small factories' using power and employing from 10 to 19 persons, and the Provincial Governments can, if they choose to do so, extend these provisions to cover even power factories employing less than ten persons, if in such factories children under 15 are employed. Another amending Act passed in 1941 empowers the Provinces, to extend the provisions of the Factories Act of 1934 to any industrial establishment whether it uses power or not employing ten or more persons. The Act of 1934 limited hours of work of adults in perennial factories to 54 in the week and 10 a day, and in seasonal factories to 60 in the week and 11 a day. It further granted to factory workers a weekly holiday, a rest interval after five hours of continuous work and a higher rate of pay for overtime. Employment of children under the age of 12 was prohibited, and their hours were restricted to 5 a day. It further provided that adolescents over 15 and under 17 years of age should be employed as adults only when certified as fit for such work. For both women and children it forbade night work. The Act also contained provisions to ensure adequate fencing of machinery, adequate means of escape in case of fire, artificial humidification of factory premises to protect workers from excessive heat, and the construction of shelters in factory premises for the use of workers during periods of rest. In addition, by a

notification under the provisions of the Act, the Government of India, prohibited the employment of children and adolescents in a number of hazardous occupations, including the manufacture of lead and lead-compounds, carbonates, chlorates, chromates and oxides of various metals, etc.

The Factories (Amendment) Act of 1945 and the Factories (Amendment) Act of 1946 have carried the statutory protection of factory workers in India a stage further. The former provides that every worker who has completed a period of twelve months' continuous service in a factory shall be allowed paid holidays for a period of ten or, if child, fourteen, consecutive days during the subsequent year. The latter reduced the hours of work for adults from 54 to 48 in the week and 9 a day in the case of perennial factories, and from 60 to 50 in the week and 10 a day in the case of seasonal factories, and stepped up the pay for overtime work to twice the normal rate of pay. Another important enactment passed in 1946, viz., the Industrial Employment Standing Orders Act, requires employers in British India, in every industrial establishment where 100 or more workers are employed, to frame standing orders defining the conditions of employment and get them certified by the appropriate Government authority.

The great majority of the industrial workers employed in the innumerable small workshops working without power, e.g., mica, bidi, shellac and carpet weaving establishment, etc., however, still remain almost wholly unprotected by legislation. Only two Acts, one Central and the other Provincial, seek to deal with this class of labour. The Employment of Children (Amendment) Act, enacted by the Government of India in 1939, prohibits the employment of children under 12 in workshops engaged in a number of occupations, such as bidi-making, carpet-making, etc., enumerated in a schedule appended to the Act. The Central Provinces Unregulated Factories Act, 1937, limits the hours of work in workshops to 10 in the day and prohibits the employment of children under ten, but it applies only within selected areas in the Province and in the first instance only to specified workshops employing 50 or more persons.

Other classes of wage-earners who enjoy some kind of legislative protection in India are workers in mines and railways and ports. Workers in mines are protected by the Indian Mines Act of 1923, and its amendments. Their hours of work are limited to 54 in the week

and 10 a day above ground and 9 a day underground, with at least one hour's rest for six hours' work ; children under 15 cannot be employed in mines, and in pursuance of the ratification by India of the relevant ILO convention, women cannot be employed on underground work in mines. To finance protective measures against fire and inundation in coal mines, legislative sanction has been given by another Act, for the levy of a cess for the creation of a fund to finance stowing measures, and workers have been allowed to elect two persons to represent them on the Mining Board. In the field of transport, the Indian Railways (Amendment) Act, 1930, sought to give effect to the ILO conventions regarding hours of work and weekly rest. It limited the hours of work to a maximum of 84 hours a week for those whose work is intermittent and 60 a week on the average in any month for the others, and provides for a weekly holiday to those whose work is not essentially intermittent. As regards the maximum age for admission to employment, while the ILO convention concerning Minimum Age (Industry) (Revised) 1937, had fixed 13 years in the case of India as the minimum age for the employment of children in railways and docks, the Employment of Children Act, 1938, fixed it at 15 in both cases. As regards maritime workers, the Indian Merchant Shipping (Amendment) Act of 1931, prescribes a minimum age for admission of children to employment at sea and for admission of young persons to employment as trimmers and stokers, ordains medical examination of children and young persons employed at sea, and provides for seamen's articles of agreement ; and the Indian Dock Labourers Act, 1934, protects dockers against accidents while loading and unloading ships. Consequent on recent developments in motor transportation, the Motor Vehicles Act of 1939 prohibits the employment of any person under 18 as a driver of a motor vehicle and of any person under 20 as a driver of a transport vehicle. Further, it limits the hours of work of transport-vehicles drivers to 9 in the day and 54 in the week and provides for a rest period of at least half an hour after 5 hours of continuous work.

A beginning has also been made during recent years in the regulation of the conditions of work of the large group of wage-earners engaged in commercial establishments. Shops and Establishments Acts adopted in Bombay, the Punjab, Bengal and Sind since 1939, regulate the hours of work in shops, commercial establishments, restaurants and theatres, ensure for the employees a paid weekly

holiday and in some cases annual holiday with pay and prescribe a minimum age for admission to employment. At present, however, these Acts apply only to selected urban areas and their protective effect is confined only to a small fraction of the total wage-earning population employed in trade<sup>1</sup>.

In addition to the above legislative enactments which apply to specific groups of workers, labour laws with a wider scope have also been placed on the statute book. Among these, special mention should be made of the Indian Trade Unions Act, 1926, the Trade Disputes Act, 1929, and the Bombay Industrial Disputes Act, 1938, which seek to prevent industrial disputes and provide machinery for conciliation or arbitration legislation to deal with indebtedness of industrial workers, such as the C.P. Protection of Debtors Act, 1931, as the Bengal Workmen's Protection Act, 1934, as also the Code of Civil Procedure (Second Amendment) Act adopted by the Government of India in 1937, and the Payment of Wages Act adopted by the Government of India in 1936, to ensure regular payment of wages to workers and minimum deductions for fines. Reference to Indian legislation on Workmen's Compensation and Maternity Benefit is made in a later section of this study.

## WARTIME LABOUR POLICY

Following the outbreak of the Second World War in September 1939, the intensification of industrial production in India led to a dearth of skilled labour and the Government of India was forced to take steps to mobilise all available skilled labour for the production of war supplies and to remove all hindrances that stood in the way of maximum production. The most important developments in this field were (i) emergency labour legislation to facilitate wartime expansion of production. (ii) Technical Training Schemes to meet the shortage of skilled personnel, and (iii) the evolution of a tripartite labour organization to facilitate state-employer-worker collaboration in matters of common interest.

*Emergency Labour Legislation.*—The main objects of war-time emergency labour legislation were: to enable government to mobilise

1. For instance in 1943 the total number of workers covered by the Shops and Establishments Acts was:—

	In shops	In Establishments	In Theatres and Restaurants
Bombay	97,554	39,905	34,018
Sind	680	260	255

all available skilled workers, such as electricians, fitters, mechinists, etc., for important war work; to ensure the maintenance of essential services; to provide a definitive method for the settlement of industrial disputes likely to hold up war production; to secure maximum production in factories, if necessary by relaxing the rules regarding hours of work; and to grant adequate compensation to workers in respect of war injuries. The National Service (Technical Personnel) Ordinance of 1940 with its subsequent amendments made all categories of workers between 18 and 50 years of age mentioned in a schedule annexed to the Ordinance, 'technical personnel' liable to employment in national service, i. e., war production. National Labour Service Tribunals set up under the Ordinance were given power to regulate the employment of technical personnel, to compel industrial undertakings to release their technical personnel for employment in factories engaged in war production or in training establishments or technical posts under the Crown, to transfer such personnel from one notified factory to another, and to lay down the terms of service for such personnel. Skilled workers engaged in national service in specified undertakings could neither be discharged nor leave their employment.

The Essential Services Maintenance Ordinance promulgated towards the end of 1941 gave power to the Central and Provincial Governments to order all Government servants and all workers in any class of employment notified by the Central or Provincial Governments as essential for public safety or the prosecution of the war, to remain in a specified area and to regulate the wages and conditions of service of such employees. A series of amendments to the Defence of India Rules empowered Government to requisition the services of any male person to meet an actual or apprehended attack, in areas notified by provincial Governments empowered the Central Government to employ troops in any undertaking carried on by the Central or provincial Governments or considered by the Central Government essential to the life of the community; and required employers to supply food or foodstuffs to their employees and maintain in the factories lighting arrangements of a prescribed standard.

As the war made greater output a paramount consideration, it was also found necessary to minimise the holding up of production by industrial disputes and to relax restrictions on hours



of work. An amendment to the Defence of India Rules (DIR-81A) empowered the Central Government to prohibit lightning strikes or lockouts, and to refer any trade dispute to conciliation or adjudication. Similar powers were also given to the Provincial Governments. In August 1942 the Government of India issued an Order prohibiting strikes and lock-outs without 14 days' previous notice to the other party; strikes and lock-outs were also prohibited during the period the proceedings for conciliation or adjudication were pending and for two months thereafter. As an emergency measure, the hours of work and rest provisions of the Factories Act were relaxed in respect of certain notified factories engaged in war production, and the Railways (Hours of Employment) Ordinance, 1942, similarly suspended the rules relating to the hours of work of railway servants. In almost all cases, provision was made for maximum hours of work, minimum requirements of rest periods, and payments for overtime. Lastly, to avert a threatened coal shortage the ban on the employment of women underground was temporarily (*i. e.*, from 1943 to 1946) lifted with regard to coal mines. Mention is made in a later section of the wartime measures adopted to relieve or compensate the victims of war injuries.

*Technical Training Schemes* :—The wartime need for skilled labour also forced the Government of India to take active steps to increase the supply of skilled labour available for the Defence forces and the factories engaged in war work. In 1940 a Technical Training Scheme was instituted to build up a pool of trained technicians from which the Defence Services and industry could draw in times of need. By the end of 1942, 394 training centres had been set up, with a training capacity of 45,023, to provide training to selected candidates in a number of engineering and building trades and, by the end of January 1945 as many as 86,223 technicians, after completing their training, had been appointed to various posts in the Defence Services or factories engaged in war production. The supply of skilled labour was further augmented by subsidiary schemes for giving selected personnel advance training as machine tool artificers and tool makers and special training in aircraft repairs and as naval artificers. At the same time, steps were taken under the Bevin Scheme, which took shape towards the close of 1940, to provide higher technical training in British workshops for selected young



Indian artisans drawn direct from the workshops. By February 1945, 12 batches of trainees had been sent to the United Kingdom under the scheme, and in this manner Indian industry was given more than 560 skilled technicians.

*Indian Labour Conference* :—In 1942, the Government of India set up a tripartite organisation modelled on the constitution of the International Labour Organization to facilitate co-ordination of labour policy between the Government of India on the one hand and the provincial and States Governments on the other, and to ensure joint consultations between representatives of Governments, employers and workers on matters relating to labour. The objects of the Tripartite Conference are (i) the promotion of uniformity in labour legislation as between the Central Government, the Provinces and the States in India ; (ii) the formulation of a procedure for the settlement of industrial disputes ; and (iii) the discussion of all matters of all-India importance concerning employers and employees—particularly matters relating to labour welfare, labour morale and the peaceful solution of difficulties likely to endanger labour interests.

The Plenary Conference which meets at least once a year consists apart from the chairman who is the Labour Member of the Government of India, of 22 government representatives (from the Govt. of India, of the Provinces and of the States), 11 representatives of employers and 11 representatives of employees. The Standing Labour Committee of the Conference meets not less than twice a year and consists of ten Governments, and five employers' and five workers' representatives. Some idea of the Standing Labour Committees can be had from the subjects that it has discussed from time to time since its inception in 1942. These include wartime labour legislation, problems of production, hours of work in factories, industrial canteens, dearness allowances, statutory wage control, machinery for the settlement of industrial disputes, health insurance for industrial workers and the housing of labour.

### Labour Administration

In India today the responsibility for enacting and enforcing labour legislation is shared between the Government of India and the provincial Governments. In the Indian States the responsibility belongs entirely to the State Governments. Under the Government of India Act, 1935, which came into force in the provinces in 1937,

the regulation of labour and safety in mines and oil fields, in railways and in ports, is a central (or federal) subject. With regard to the following subjects both the Central and provincial legislatures have concurrent jurisdiction: In factories; welfare of labour; conditions of labour; provident funds; employers, liability and workmen's compensation; health insurance, including invalidity pensions; old age pensions; unemployment insurance; trade unions; industrial and labour disputes; enquiries and statistics relating to these matters, the administration of labour laws, however, is virtually the undivided responsibility of the provinces. Both the Central and the provincial Governments have, therefore, their own independent administrative machinery for the enforcement of labour laws and the promotion of labour welfare.

*Government of India.*—In the Government of India labour questions are handled by the Department of Labour which was created out of the Industries and Labour Department in November 1937, and put in special charge of labour in docks and railways; public works and irrigation; mines, including minerals and geology; technical education related to industry; printing, stationery and various items of safety legislation and administration, such as boilers, electricity, explosives, and petroleum. In April 1946 part of the non-labour work of the department was transferred to a new Department of Works, Mines and Power dealing mainly with such subjects as Central public works, mines, geological survey, electricity, stationery and printing. Today, therefore, the Department of Labour of the Government of India, which is in the direct charge of a member of the Viceroy's Executive Council, deals only with subjects directly relating to labour, viz., relations with the ILO, welfare of labour, labour relations, social security measures, enactment and enforcement of labour laws, safety measures, resettlement of ex-servicemen and women, technical and vocational training schemes, labour bureau, statistics, research and investigation, etc.

Prior to the outbreak of the Second World War the only Chief Executive Officer of Labour Department of the Government of India was the Chief Inspector of Mines, but in the years following 1942 the Department has expanded rapidly.

With the intensification of the war effort it became necessary to ensure peaceful industrial relations in all undertakings directly

concerned with the war effort, and in 1942 the Government of India appointed a Welfare Adviser in the Labour Department, with seven assistants (in 1944 a woman assistant was added,) for the promotion of industrial relations by the removal, as far as possible, of all causes of friction between employers and workers, the organisation of fair price shops, provision of assistance in the development of the trade union movement and the supply of prompt information to Government on the industrial situation in the various areas. The jurisdiction of these officers was naturally confined to mines, oilfields federal railways, major ports and Government owned or managed industrial establishments. This labour welfare organisation was merged in 1945 with a new and more elaborate organisation which the Government of India has set up for the promotion of industrial relations in industries and undertakings falling under the 'Central' sphere, viz., federal railways, mines, oilfields, major ports and other industrial establishments owned or controlled by the Government of India. The organisation consists of the Chief Labour Commissioner and the Deputy Labour Commissioner with headquarters at New Delhi, three regional Commissioners, nine conciliation officers and twenty three labour inspectors located at various centres throughout the country. Its main functions are conciliation of labour disputes, labour welfare, administration of labour legislation in so far as such administration is the responsibility of the Government of India and in cases where no other machinery has been set up for the discharge of special responsibilities, collection of information on wages and other labour matters and the developments of industrial relations generally.

With the approach of the cessation of hostilities, the problem of the resettlement and re-employment of ex-servicemen and discharged war workers assumed increasing importance, and in 1945 an integrated resettlement organisation was created, initially for a period of five years. At the head of the organisation is the Director-General of Resettlement and Employment whose main duties are the supervision, co-ordination and direction of the work of both the Central and the regional sections of the resettlement organisation (for the purposes of resettlement, India has been divided into nine regions, each with a Regional Director of Resettlement and Employment). He has under him six separate Directorates, each in charge, of different items of work such as employment

exchanges and statistics, employment, technical training, vocational training, publicity and follow-up activities.

Towards the end of 1945 the Labour Department established a new organisation under the Chief Adviser, Factories, to advise the Central and Provincial Governments on improvement of working conditions in factories. The main functions of this new organisation are giving technical advice on the design and layout of factories, standards of housing and the most suitable working conditions to assure efficiency of production and welfare of the workers, and making arrangements for the training of managements and workers in safety measures and welfare methods adopted in progressive countries.

As from the 1st October 1946, the Labour Department has set up a Labour Bureau under a Director who will be assisted by a Statistician, a Labour Intelligence Officer, a Chief Research Officer and other research staff; the Bureau will collect statistics relating to labour, etc., maintain the Cost of Living Index Numbers compiled under the Government of India's scheme for the preparation of cost of living index numbers on uniform lines, keep up-to-date the factual data relating to working conditions collected by the Labour Investigation Committee, conduct research into specific problems with a view to furnishing data required for the formulation of policy, edit the *Indian Labour Gazette*, and edit a Labour Code consisting of various legislative enactments and the statutory rules made thereunder and a *Year Book* giving an authoritative account of labour affairs in the country.

*Provinces* :—In all the provinces, labour questions are dealt with by a department of the secretariat in charge of a Minister. The actual enforcement of most of the labour laws, such as the Factories Act, the Trade Unions Act and the Workmen's Compensation Act, is in the hands of the Provincial Governments and today eight of the eleven Provinces have all whole-time Commissioners of Labour. The duties of the Labour Commissioner vary from province to province but generally include conciliation, enforcement of the various labour enactments in force, and promotion of labour welfare.

Labour administration in the more advanced Indian States is modelled on that of the British Indian provinces and there are Labour Commissioners in Hyderabad and Mysore, and a Senior

Labour Officer in Gwalior. Travancore has a Director of Industries and Labour Commissioner and Baroda a Director of Labour.

With a multiplicity of provincial administrations responsible for the administration of labour laws, wide differences in the standards of administration are inevitable. During recent years industries have expanded at a rapid rate and the scope of labour legislation also has greatly widened, but there has been no commensurate increase in the strength of the staff charged with the duty of enforcing labour legislation. As early as 1931 the Royal Commission on Labour in India recommended that the factory inspectorates should be strengthened by the appointment of inspectors with medical qualifications and of women inspectors, but these recommendations have yet to be carried out in most of the provinces. Provincial reports on the administration of the Factories Act almost invariably complain about the inadequacy of the inspectorate, and it is doubtful whether such inspecting staff as is already at work has received the necessary training for the proper discharge of its duties. According to an eminent authority 'one cannot resist the conclusion that, though there has been commendable progress in factory legislation in British India, there has been no corresponding improvement in the administration of Labour laws'.

### Trade Unionism

It is claimed that the first labour organisation in India was the Amalgamated Society of Railway Servants of India and Burma organised in 1897, but until the closing years of the First World War the progress of trade unionism in India was extremely slow. During the inter-war period, however, trade unions in India have made steady progress. Between 1918 and 1922 a wave of strikes swept over India and the rapid rise in the cost of living forced the wage-earning class to organise itself to secure from the employers the necessary wage increases. India's membership of the International Labour Organisation gave a further stimulus to the organisation of labour. The need for a central representative organisation to nominate workers' delegates to the International Labour Conferences led to the setting up of the All-India Trade Union Congress, and this in its turn took the lead in the formation of individual unions. Other

contributory factors have been the spread of education and of class consciousness among workers, the initiative taken by political parties in the organisation of labour, and the gradual emergence of a class of industrial wage-earners.

The Indian Trade Unions Act, 1926, was the first attempt in India to legalise legitimate trade union activity and to protect trade unions. The Act requires all Provincial Governments in India to appoint registrars of trade unions. The registration of trade unions is optional; unions registered under the Act are required to furnish audited accounts annually and to include a majority of actual workers in their executives. Registration under the Act confers on trade unions and their members some degree of immunity from civil suits and criminal prosecutions.

The following table shows the progress of registered trade unions in India in the years following the enactment of the Indian Trade Unions Act.

*Number, Membership and General Funds of Registered Trade Unions in British India*

Year	No. of trade union		Total membership of unions submitting returns	Income during the year	Balance at the end of year	
	Registered	Submitting returns				
1927-28 .. ..	20	28	100,619			
1929-30 .. ..	104	90	242,355			
1934-35 .. ..	213	183	284,918			
1939-40 .. ..	667	450	511,138	1,121,797	739,037	2 3 7
1940-41 .. ..	727	483	513,832	1,212,927	786,120	2 5 8
1941-42 .. ..	747	455	573,520	1,767,446	1,226,900	3 1 3
1942-43 .. ..	653	439	685,299	1,596,984	1210,630	2 6 3
1943-44 .. ..	818	563	780,967	2,318,730	1,972,201	2 15 5
Percentage Increase in 1943-44 over 1939-40	22. 6	25. 1	52. 8	106.7		33.1

The figures in the table relate to only 563 (out of a total of 818) registered trade unions which submitted the returns required by law. There are besides a number of unregistered trade unions for which figures are not available, except in the case of Bombay Province. That the unregistered trade unions have a considerable membership can be inferred from the fact that in December 1942 there were in Bombay 100 unregistered trade unions with a total membership of 29,574.

It will be seen from the figures that the number, membership and finances of trade unions increased rapidly between 1929-30 and 1939-40 and that the rate of increase was well maintained during the war years 1939-45. Between 1929-30 and 1939-40 the number of registered



unions increased by more than 500% and the membership of unions submitting returns increased from about 242,000 to over 511,000. Between 1939-40 and 1943-44 the number of registered trade unions again increased from 667 to 818 and the membership of unions submitting returns shot up from 511,138 to 780,967. The increase in the annual income of the trade unions was even more striking, exceeding 100%, while the income per member increased from Rupees 2-3-7 to Rs. 2-15-5. The war-time increase in membership may be explained partly by the general increase in employment, and partly by the necessity for concerted action on the part of industrial workers for securing adequate adjustments in their earnings.

Trade unionism is strongest among railway, textile and municipal workers and among seamen. In 1943-44 out of a total trade union membership of 972,201, trade unions in railways accounted for 273,262. Among others, the textile group had 222,667, seamen's unions 70,401, dock-workers' and port-workers' unions 39,815 and engineering workers' unions 27,417 members.

Of the two central federations of trade unions in the country, an enquiry in 1946 by the Chief Labour Commissioner of the Government of India shows that the All-India Trade Union Congress 'is becoming increasingly more representative from almost every point of view and the Indian Federation of Labour is gradually losing' ground. The All-India Trade Union Congress was founded in 1920 and for long remained the most representative labour organisation in the country. But with the spread of communist ideas amongst a section of the workers, the solidarity of the trade union movement was gravely affected, and the split in the All-India Trade Union Congress in 1929 was the logical culmination of this divergence of views. Trade union unity was again achieved only in 1938 when the seceding unions of 1929 rejoined the All-India Trade Union Congress. During the early war years, in spite of the wave of nationalistic feeling which overran the country, the All-India Trade Union Congress declined to commit itself officially to any particular line of politics, though the individual affiliated unions were permitted full freedom of political action. A group of labour leaders who felt that organised labour in the country should take sides effectively with the Government to prosecute the war and not be content with mere neutrality, therefore, organised the Indian Federation of Labour in 1941. The Government of India

recognised both the All-India Trade Union Congress and the Indian Federation of Labour as the two most representative labour organisations in the country, but, as pointed out above, the Chief Labour Commissioner has now found that it is the older body which can legitimately claim to be the more influential.

In the same way as the neutral attitude in politics of the All-India Trade Union Congress led to the formation of the Indian Federation of Labour, other labour leaders who were followers of the Indian National Congress also thought it necessary to knit together more closely their followers in the various unions, and wean them away from the influence of the All-India Trade Union Congress which they thought was being increasingly dominated by communist elements. This section of the labour movement, therefore, set up the Hindustan Mazdoor Sevak Sangh, and it has recently been resolved that all unions with which members of the Sangh were connected should be affiliated to the All-India Trade Union Congress "in order to strengthen the All-India Trade Union Congress as the central organisation of labour in the country, to promote through it the policy and programme of the Sangh and to secure such changes in the constitution, organisation and administration of the All-India Trade Union Congress as to make it a fit and efficient instrument for the realisation of the legitimate aspirations of the working class and of the Sangh." In the present struggle for leadership in the Indian labour movement, and in view of the political temper in the country, it seems doubtful whether a policy of this kind would prove acceptable to either party in the long run. The possibility, therefore, of the Sangh setting itself up as an independent affiliating organisation cannot be ruled out at this stage.

Other important All-India federations of specific categories of unions are the All-India Railwaymen's Federation, the All-India Postal and Railway Mail Service Union, and the All-India Seafarers' Federation. Perhaps the most efficient labour organisation in the country is the Ahmedabad Textile Labour Association, which has some unions affiliated to it and which has developed a very wide and effective range of trade union activities.

During recent years a new status has been conferred on trade unions in India; their representatives now sit in the provincial legislatures, and their central organisations are now consulted by Government in the nomination of the workers' delegates to International Conferences

and Committees. The Government of India Act of 1935, which has been operative in the British Indian provinces since 1937, provides for special representation of the interests of labour, as well as of commerce and industry, in the various provincial legislatures. In 10 out of the 11 provincial Legislative Assemblies, out of a total of 1,535 seats, 38 are allotted to representatives of labour. These are elected partly by members of registered trade unions and partly by wage-earners in special labour constituencies. In the Tripartite Labour Conference which the Government of India set up in 1942, both the AITUC and the IFL are represented; and the Indian Workers' Delegations to the International Labour Conferences and Committees are chosen in consultation with the most representative labour organisations.

Though India has perhaps a larger trade union membership than any other country in Asia, the progress of unionism in the country has been marred by frequent struggles for leadership. Apart from doctrinal differences and the association with politics, the main reason for this perennial crop of struggles for leadership may perhaps be found in the fact that, owing to the prevailing lack of education among the workers, the working class itself has not been able to obtain any but a few leaders from its own ranks. There are also the intersecting cleavages created by caste, religion and language, though, strangely enough, these have not been such formidable handicaps as one would have expected. An even more important reason for the tardy development of trade unionism is the workers' nexus with the land; the average industrial worker is an agriculturist by temperament and a factory employee only by necessity. Besides, most of the existing unions suffer from chronic impecuniosity; and it is significant that, according to the table given above, the average income of the trade unions is less than Rs. 3 per head per year. The meagre wages and the rising cost of living render it difficult for the worker to pay anything more than a token contribution to his union, but cheap contributions make cheap unions, and it is only in the isolated case of the Ahmedabad Textile Labour Association that the working class finds a practical demonstration of the potentialities of a union for developing those many-sided self-help activities which do so much to make a member remain faithful to his union. Apart from these internal defects, Indian trade unions have also had to contend against the opposition of the employers. Victimisation of trade union leaders is alleged to be fairly widespread. (The Ahmedabad Textile Labour

Association is reported to have paid out Rs. 45,000 by way of 'victimisation benefit' during the decade ending with 1936-37). A frequent cause of industrial discord is the refusal of the employer to "recognise" his workers' union and discuss their grievances with union representatives, and this has led to the recent introduction of a Government Bill in the Central Legislature laying down the conditions under which employers should be compelled to give recognition to the unions of their work-people. But these are only the teething troubles of the movement, and it would be a mistake to assume that the movement will not survive or that it is unsuited to Indian conditions. The Whitley Commission has given its authoritative verdict that "nothing but a strong trade union movement will give Indian workmen adequate protection".

Trade unionism at present is confined to workers in organised industry. During recent years, there have, however, been indications that it is beginning to spread among agricultural workers [an All-India Peasants' Organisation (Kisan Sabha) was founded in 1935] and shop-workers, but no definite data about the progress achieved is available. Trade unionism has not so far made much headway in Indian States. There are a number of trade unions in States such as Hyderabad, Baroda, Mysore, Travancore and Cochin, but as the difficulties which confront the trade union movement in British India are present in the Indian States in an accentuated form, progress is bound to be slow.

### Industrial Disputes

*Statistics of Industrial Disputes:*—Industrial disputes became a factor to be reckoned with in the country's economic life only after 1918. Soon after the termination of World War I a wave of strikes swept over India, caused mainly by the failure of workers earnings to keep pace with the increase in the cost of living and the spread of class consciousness among workers. Accurate figures for industrial disputes in British India are available only for the years subsequent to 1921. The following table gives figures relating to industrial disputes in British India for some specified years between 1921 and 1939 and for the entire period 1940-44.

*Number of Industrial Disputes in British India 1921-1944*

Year	Number of Disputes	Workers involved (in thousands)	Working days Lost (in millions)
1921	396	600	7.0
1926	128	187	1.1
1931	166	203	2.4
1936	157	169	2.4
1939	406	409	4.9
1940	322	453	7.6
1941	359	291	3.3
1942	694	773	5.8
1943	716	525	2.3
1944	658	550	3.4

In the inter-war period, it was the textile industry that suffered most from strikes. In 1924, the Bombay Millowners' Association decided to withhold the annual bonus which had been granted for 5 years, and the strike which followed involved 160,000 workers and caused a loss of about 7.75 million working days. A further strike in 1925 caused by the decision of the Bombay Millowners' Association to reduce the dearness allowance by 20 per cent. was called off only after a loss of about 11 million working days. In 1928 the total number of working days lost reached the peak figure of 31.6 millions of which 22.3 millions were in the Bombay cotton industry, where a general strike took place owing to the decision of the Millowners' Association to introduce new methods of work with a view to increasing labour efficiency and economising the cost of production. Among other disputes during the year the more important occurred in the engineering workshop on the Railways and in jute mills. Again in 1929, strikes in the Bombay textile mills and Bengal jute mills caused a loss of over 9.6 million working days. The period between 1930 and 1937 was one of relative industrial calm and in 1935 the number of working days lost owing to industrial disputes was the smallest on record, viz., 973,457. There was a recrudescence of industrial trouble in 1937 and 1938, partly as a result of the hopes raised by the advent to power in provinces of popular ministries.

After the outbreak of the war in September 1939, the steady inflationary rise in prices and the increasing discrepancy between the rise in the workers' earnings and in the cost of living led to a sharp increase in the number of industrial disputes. From 322 in 1940 the number of industrial disputes rose to 694 in 1942. There was a corresponding increase in the number of workers affected from 291,000 to 525,000 and in the number of working days lost, from 3.3 to 5.8 million. To safeguard the war effort, early in 1942, the Government of India took powers to prohibit strikes and lockouts, to refer industrial disputes to conciliation or adjudication and to enforce the awards of the adjudicators. The result was a fall in the number of working days lost as a result of industrial disputes in 1943 and 1944.

Two striking facts about industrial disputes in India are that they occur mostly in the textile industry and that a considerable proportion of them are unsuccessful owing to the Indian wage-earners' poor staying power. In this connection the following figures are significant:

Year	Share of the cotton, woollen and jute mills in the total			Results of Strikes (All Industries)		
	No. of Strikes	No. of Workers involved	Loss in Working days	Successful	Partially success- ful	Failures
1942	40%	69%	66%	117	169	378
1943	37%	71%	72%	138	220	314
1944	28%	52%	70%	110	175	297

### Conciliation and Arbitration

Though the possibilities of conciliation as a method of settlement of industrial disputes were examined by committees appointed by the Governments of Bengal and Bombay as early as 1921, statutory provision for the appointment of courts of enquiry and boards of conciliation to effect amicable agreements in industrial disputes was first made only by the Trade Disputes Act of 1929. This Act empowered the Provincial Governments or the Central Government if the employer was a department of the Central Government or a railway company, to refer 'any matters appearing to be connected with or relevant to' an existing or an apprehended dispute to a court of enquiry, or to refer the dispute to a board of conciliation; action on these lines was obligatory



on Government when both the parties to a dispute asked for it. A court of enquiry was to consist of one or more independent persons appointed by Government ; a board of conciliation might consist of an independent person as chairman and two or four members who may be independent persons or representatives of the parties, or of one independent person. While the duties of a court of enquiry were confined to mere investigation, the board of conciliation was charged with the duty of attempting to effect 'a fair and amicable settlement'. The Government was not, however, given any power to enforce the decisions of the conciliation board. In addition the Act declared illegal all general strikes and lockouts, and required a fourteen days' notice of strike in public utility concerns. The powers conferred by the Act, however, have been used only sparingly by Government. Between 1929 and 1933 there were more than 500 industrial disputes, but during the entire period the Government appointed only two courts of enquiry and two boards of conciliation. Between 1928 and 1936, although 11 disputes were settled by conciliation or arbitration, only in three of them was the initiative taken by the Provincial Governments under the Trade Disputes Act.

Between 1934-1939 considerable progress was made in the province of Bombay in the evolution of permanent machinery for the conciliation of industrial disputes. In 1934 the Bombay Trade Disputes Conciliation Act was enacted. It authorised the Bombay Government to appoint the Commissioner of Labour as Chief Conciliator and provided for the appointment of special Conciliators, Assistant Conciliators and of a Government Labour Officer to guard the workers' interests. In 1938 the above Act was replaced by a more comprehensive enactment, viz., the Bombay Industrial Disputes Act of 1938. Under the provisions of this Act, which applies to the cotton textile industry throughout the province and the silk and woollen textile industries in specified areas, strikes and lockouts before the completion of conciliation proceedings are declared illegal. The Act lays down three distinct steps before a strike or lockout can be declared. Notice has first to be given, negotiations follow, and if an agreement is reached, it will be registered. If no agreement is reached, an attempt at conciliation is to be made either by the Conciliator, the Chief Conciliator or a Board of Conciliation according to the importance of the dispute in question. Conciliation is thus compulsory, and during the conciliation proceedings strikes and lockouts are illegal. The Act also provides an elabo-

rate machinery of conciliation, machinery for arbitration when both parties agree to arbitration and a permanent Industrial Arbitration Court. The acceptance of the conciliation award, however, is not obligatory. An amendment to the Act in 1941 made arbitration compulsory in certain cases as a war measure and empowered the Government to refer to arbitration any dispute which, in its view, might lead to serious disorder or breach of public peace, or cause considerable or prolonged hardship to a large section of the community, or affect the industry adversely.

In the central sphere, the war-time need for preventing all stoppages of work that might affect adversely the country's war effort, led the Government of India in January 1942 to add a special rule, viz., Rule 81 A, to the Defence of India Rules. This rule prohibited strikes or lockouts in connection with industrial disputes, and made provision for referring any such dispute for conciliation or adjudication and enforcing the decisions of the adjudicators. In May 1942 much the same powers were vested in the Provincial Governments and in August of the same year, the Government of India issued an Order prohibiting strikes and lockouts without fourteen days' previous notice. Considerable use has been made of these powers by the Central as well as the Provincial Governments in India ; orders enforcing arbitrator's awards in 56 cases were passed by the Government of Bengal by April 1946 ; in 51 cases by the Government of Bombay by March 1946, and in 46 cases by the Government of the United Provinces by February 1946.

Though more than a year has passed now since the cessation of hostilities, India is still faced with an acute shortage of essential commodities such as textiles and sugar, and public opinion is largely in favour of permanent legislation which will ensure that no stoppages of work actually take place until all the avenues of amicable settlement either through conciliation or arbitration have been explored. An Industrial Relations Bill providing for this object has now been passed (1946) by the Bombay Legislature; and in November 1946 the Government of India introduced in Central Legislative Assembly the Industrial Disputes Bill, 1946, providing for (a) the prevention of strikes and lockouts without proper notice, especially in public utility services and essential undertakings and (b) the setting up of machinery for conciliation, investigation by court of enquiry, and, if necessary, compulsory adjudication in disputes between workers and employers. The Bill is now before a Select Committee of the Central Legislative Assembly.

## Social Insurance

The only forms of social security found in India today are workmen's compensation, maternity benefit schemes, provident funds and some private sickness assistance schemes. Even these cover only a small fraction of the country's total wage-earning population. Until the emergence of modern large-scale industry in India the joint family organisation afforded to the individual a measure of security against such risks as unemployment, sickness and old age, which in an advanced modern society is provided by State-sponsored social insurance schemes. With the steady break-down of the medieval economy, the opening up of India to world trade, the spread of modern education and the advance of large scale factory industry in India, the joint family system has been rapidly disintegrating and the individual wage-earner is being deprived even of the little support that the joint family organisation gave him in times of adversity such as unemployment and sickness. The economic transition from the medieval to a modern economy in India has, therefore, meant for the worker an increasing degree of insecurity and a comprehensive scheme of social security to protect the worker from the hazards of unemployment, sickness, old age, and destitution is among the most urgently needed reforms in India today.

*Workmen's Compensation* :—The Workmen's Compensation Act, passed in 1923, is the first piece of social security legislation in India. It has been amended several times and today applies to all manual workers whose earnings do not exceed Rs. 400 and who are employed in factories, mines, ports, the building trade and a number of other occupations specified in the Act. Under the Act the workman is entitled to compensation for any injury or occupational disease specified in a scheme appended to the Act arising out of or in the course of his employment after a waiting period of seven days. The enforcement of the Act is entrusted to the Provincial Governments. The scale of compensation is related to the level of the workers' wages on the one hand and the nature of the injury sustained by him on the other. The amount of compensation payable varies from a minimum of Rs. 500 for death, Rs. 700 for permanent total disablement and half the monthly wages for temporary disablement in respect of the lowest paid worker, to a maximum of Rs. 4,500 for death, Rs. 6,300 for permanent disablement and Rs. 30 per mensem for temporary

disablement in respect of workers' earning over Rs. 300 per month. The compensation in respect of a child is Rs. 200 for death, Rs. 1,200 for permanent disablement and half the wages or a maximum of Rs. 30 per mensem for temporary disablement. There are numerous cases, however, of workmen or their dependents not having taken advantage of their legal right to workmen's compensation. The workman's ignorance of law, the long distance which often separates the worker in the city from his dependants in the village, and the reluctance of the worker to institute legal proceedings against his employer for the recovery of the compensation due to him under the provision of the law, all enable the employer to evade wholly the obligation imposed upon him by law or to compound with the worker for an amount much smaller than the scale of compensation prescribed by law. The following table shows the working of the Workmen's Compensation Act in British India during the decade 1935-1944 :

Year	Total Number of Cases	Total amount of Compensation paid Rs.
1935	22,999	1,161,465
1936	28,510	1,464,180
1937	29,645	1,288,764
1938	35,262	1,443,459
1939	38,681	1,509,327
1940	41,015	1,938,476
1941	39,045	1,584,293
1942	44,443	1,869,359
1943*	44,826	2,283,991
1944**	31,581	1,696,494

\*Figures exclude Bombay. \*\* Figures exclude Bombay and Madras.

To provide a measure of relief to civilians sustaining War injuries, the Government of India framed in 1942 the War Injuries Scheme under the provisions of the War Injuries Ordinance, 1941. The scheme provided relief to gainfully employed persons over 15 years of age who sustained war injuries and to civil defence volunteers injured in the discharge of their duties as volunteers (or in the case of fatal accidents, their dependants). Claims officers appointed by provincial Governments decided on the claims for relief and the whole cost of relief was met by the Central Government. As the main object of the scheme was the provision of relief rather than compensation for the actual loss of earning power, no account was taken of the position or income of the injured person before the injury,

but a more or less uniform rate was provided for all classes. The scheme provided for free medical treatment of injured persons and for different kinds of allowances and pensions under three broad heads temporary allowances, disability pensions, and family pensions and children's allowances.

The War Injuries (Compensation Insurance), Act was adopted in September 1943 with the object of imposing on industrial employers an obligation to pay compensation in respect of war injuries to workers in their employ. The amount of compensation provided for under the Act was the difference between the amounts paid by the Central Government under the War Injuries Scheme (see below) and the amount payable under the Workmen's Compensation Act should that measure be applicable in the case of war injuries. The Act also provided for the compulsory insurance with the Central Government of the employers' liability to pay compensation for war injuries.

*Maternity Benefits*: In the field of maternity benefit legislation, Bombay led the way with the Bombay Maternity Benefit Act of 1929, and was followed by the Central Provinces and Berar in 1930, Madras in 1935, the United Provinces in 1938, Bengal and Sind in 1939, the Punjab in 1943, Assam in 1944 and Bihar in 1945. There are minor differences as between the different provinces but the following are the broad features of the various provincial Acts :— (1) All of them apply only to women working in factories, but the Assam Act applies to women working on the plantations as well; (2) the entire cost of the benefit is placed on the employers; (3) the maximum period for which the benefit is available is eight weeks—four weeks before and four weeks after childbirth; (4) the amount of benefit in the United Provinces, Bengal and the Punjab is at the average rate of the woman's daily earnings or an amount varying from eight to twelve annas per day whichever is greater; and (5) a qualifying period varying from 6 to 9 months of previous service is generally prescribed.

As regards women workers in mines, the Central Legislature passed the Mines Maternity Benefit Act in 1941. This Act which came into force in December 1942 prohibits the employment of women workers in mines in British India during the four weeks following the day of delivery of a child, and provides for the payment to them of maternity benefit at the rate of one-half rupee per day for a

period of up to four weeks of absence from before and four weeks after delivery. The qualifying period is six months, service, preceding the day of delivery, and dismissal on the ground of pregnancy is prohibited. In 1945, an amending Act, viz., the Mines Maternity Benefit (Amendment) Act, 1945, was enacted, mainly to meet the conditions arising out of the war-time lifting of the ban on the underground employment of women in coal mines. It prohibits the employment of women underground during the ten weeks before and six weeks after delivery. The rate of maternity benefit during this period is fixed at Rs. 6 a week.

*Working of Maternity Benefit Acts in Bombay and Bengal  
during 1944*

		Average Daily number of women employed	Number of women who were paid maternity benefit	Total amount paid in rupees
Bombay	.. .. .	54,224	6,071	242,193
Bengal	.. .. .	52,982	4,230	160,710

Source: *Indian Labour Gazette*, February 1946 and May 1946.

*Provident Fund* :—Provident funds financed by equal monthly contributions from the worker and the employer are found in India in a number of undertakings, managed either directly or indirectly by Governments or municipalities, in the railways and in some of the larger industrial undertakings which are privately owned, e.g., the Tata Iron and Steel Company. But the benefits of the provident funds are generally available only to monthly paid employees whose earnings exceed a prescribed limit; the great majority of the wage-earners, therefore, derive little benefit from these schemes.

*Proposed Health Insurance Scheme* :—During recent years, the need for a system of sickness insurance which will protect the worker from the hazard of loss of earning capacity during periods of sickness has been more and more widely recognised in India, and the introduction of a scheme of compulsory sickness insurance was discussed at three successive conferences of Labour Ministers in 1940, 1941 and 1942. The Adarkar Report on health insurance for industrial workers was



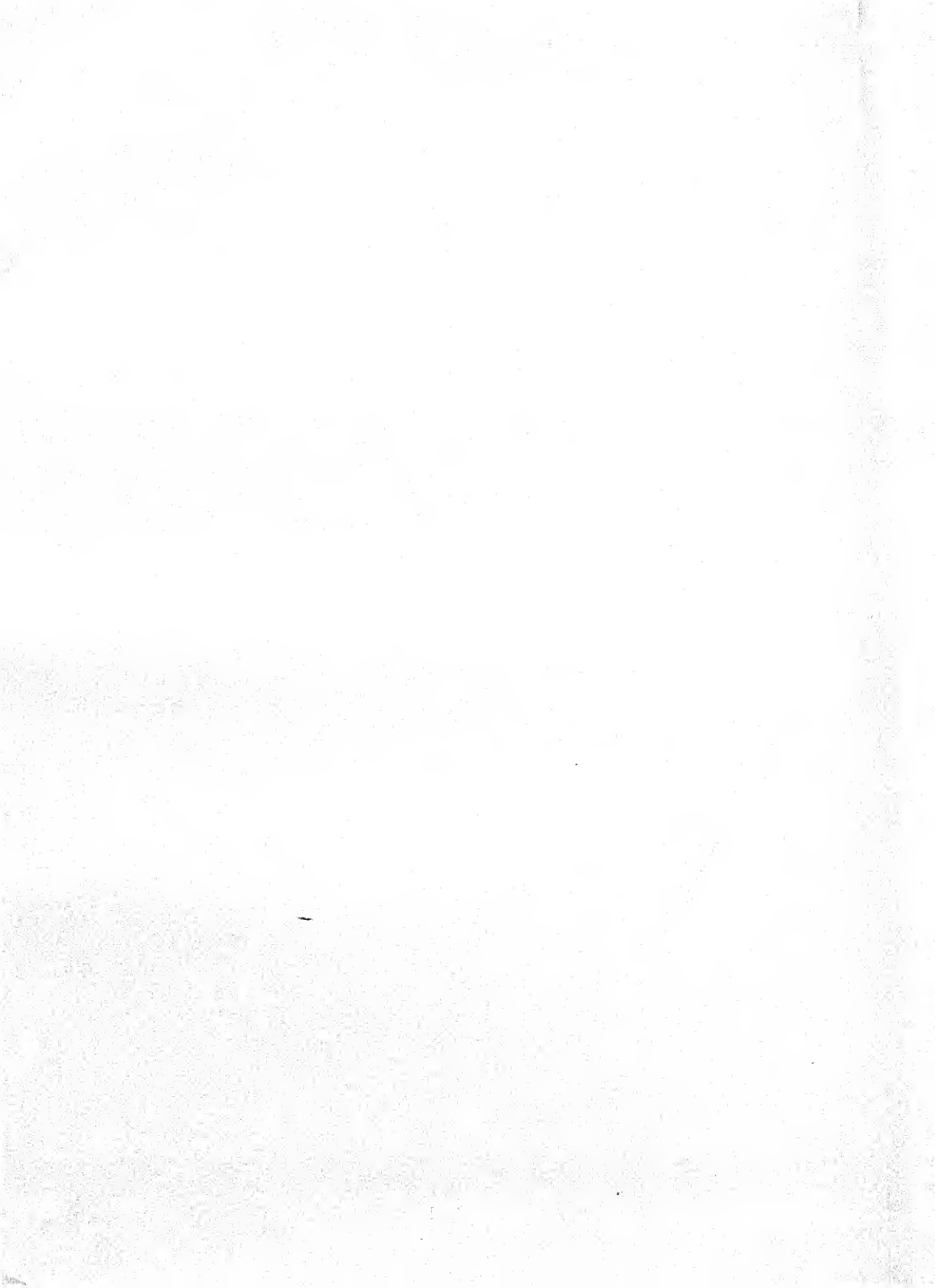
published in 1944 and the scheme was later examined by two I.L.O. experts early in 1945. A Bill embodying this scheme is now pending before the Central Legislature. It applies in first instance to factory workers only, but will be progressively extended to other classes of wage-earners after sufficient experience has been gained and the necessary administrative machinery has been built up. Workers covered by the scheme while sick or disabled, will get (a) medical treatment, outdoor (without limit) or in-patient (to the extent facilities are available and for specified periods) and in the case of women during confinement also; (b) cash payments during periods of sickness, equivalent to half of their average earnings for a period not exceeding 8 weeks in any period of 12 months; (c) maternity allowance, at the rate of 12 annas a day for a period of 12 weeks, 6 weeks before 6 weeks after the birth of the child, provided the beneficiary is on leave during the period; and (d) monthly or fortnightly payment on a prescribed scale while disabled as a result of employment injury, i.e., accidents sustained during, or disease contracted as a result of, the employment. The scheme will be financed in the main by contribution from employers and workers and will be administered by a quasi-Government corporation.

### Five-Year Plan

India's war-time experience served to emphasise the imperative need for the adoption by the State of a positive policy, designed to secure for the worker a higher standard of life and to secure for India's expanding industries a steady supply of skilled workers. In the various schemes of post-war reconstruction that gradually took shape in 1944 and 1945, therefore, a programme of labour reforms was given a prominent place. As early as 1944, the Government of India's Second Report on Reconstruction Planning declared that the improvement of living conditions and increase in purchasing power contemplated by the development plans connoted a more equitable distribution of the wealth that was produced, and advocated the adoption of positive measures to secure a fairer deal for labour. The Statement of Industrial Policy issued by the Government in April 1945 stressed that one of the principal objects of the new policy should be 'to secure for industrial workers a fair wage, decent conditions of work and living'

and reasonable security of tenure. It is a fundamental objective of industrial development that it should enable the general standard of living to be raised. It would be a frustration of this objective if industrial workers do not get fair wages and decent working conditions. In the past, these matters were left largely to be settled between the employers and the workers, but it may be necessary for the State to intervene with statutory powers. This question is engaging the earnest attention of Government, and the necessary legislation will be undertaken from time to time. In October 1946, the Labour Member of the Government of India outlined a programme of action to be implemented by the Central and Provincial Governments in the course of the next five years. As regards industrial workers, this Five-Year Plan contemplates measures to be taken, among other matters, to prescribe statutory minimum wages in sweated industries (a Minimum Wages Bill was introduced in the Central Legislative Assembly on the 11th April 1946), to promote fair-wage agreements, and to organise industrial training and apprenticeship schemes on a large scale. Working conditions are to be improved by reducing the hours of work in mines to 48 a week, and by amending the Factories Act, making it applicable to all work-places where manufacturing processes are carried on and prescribing in the Act itself standards in regard to lighting, ventilation, health and welfare of workers. Legislation is also to be undertaken to regulate the hours of work, spread-over weekly rest periods, and to provide holidays with pay for transport workers and dock and municipal labour. Adequate inspection services for the enforcement of laws are to be organised in consultation with Provincial Governments. Simultaneously, attempts are to be made to eliminate and where this is not possible, to bring under strict control, all labour employed through contractors; to extend the services of the employment exchanges to cover all classes of workers; to evolve in agreement with employers and workers fair terms of service, particularly in regard to security of tenure and the elimination of unjust reductions and discharges from service; and to revise the Payment of Wages Act and to extend it to as many industrial establishments as practicable. In the field of social security, the plan proposes the organisation of a Health Insurance Scheme, details of which are given elsewhere in this study while dealing with the Workmen's State Insurance Bill which was introduced in the Central Legislative Assembly on the 6th November 1946; the revision of the Workmen's

Compensation Act to extend to other classes of workers 'the disablement and dependent benefits' provided under the Health Insurance Scheme ; the enactment of Central legislation providing maternity benefits to non-factory workers ; the grant to other classes of workers of the right, within specified limits, to sick leave with allowances ; and the organisation of adequate health services and of adult education and training schemes in the coal and mica mining areas. As regards welfare measures, the Factories (Second) Amendment Bill introduced in the Central Legislative Assembly on the 28th October 1946 makes it obligatory for the larger factories to establish canteens for the workers ; factories employing women are to be obliged to provide an extension of creche services ; and the possibility of inducing or compelling employers to allocate a portion of their profits for the financing of welfare schemes is to be examined. To promote healthy industrial relations, the Indian Trade Unions (Amendment) Bill introduced in the Central Legislative Assembly on the 22nd February 1946 provides for the compulsory recognition by employers of unions satisfying prescribed conditions ; and to iron out the day-to-day difficulties in industrial establishments, joint works committees are to be encouraged. The Industrial Disputes Bill introduced in the Central Legislative Assembly on the 28th October 1946 provides for the setting up of machinery for conciliation, enquiry and adjudication in respect of disputes in essential public utility services and important industrial undertakings. Further, tripartite industrial committees, on the model of the ILO committees, are to be set up for the coal, cotton, textile, jute, plantation and engineering industries in order to promote State-employer-worker collaboration. Finally, adequate housing is to be provided for the workers to the extent of the resources, both of man-power and materials, that can be made available for this service ; and action is to be taken to settle the extent and terms of any Government subsidy needed for the purpose, the design of the buildings, etc. As regards agricultural workers, steps are to be taken to secure for plantation labour a living wage, adequate housing, medical relief and welfare services ; the question of extending to women workers in plantations maternity benefits on the scale proposed in the Workmen's State Insurance Bill is to be examined ; and since there is but little available data regarding the conditions of agricultural labour other than in the plantations, it is proposed to undertake an enquiry into their wages as a preliminary to further action.



## LABOUR IN CEYLON

### Summary

Ceylon's importance is due to its being one of the world's suppliers of tea and rubber. Since the Ceylonese themselves have shown no great predilection for labour on tea and rubber plantations, Indian migrants flowed in to fill the gap. When this migration assumed fair proportions, the Government of India intervened on behalf of their nationals and secured for them certain necessary safeguards as regards wage rates, etc., and the legislative protection at first given to Indian immigrants has now been extended to all kinds of labour in the Island. Apart from the estates, Colombo is the only town where there is any considerable concentration of labour. Trade unionism is still in its infancy, but the State has shown itself alive to the needs of labour and has adopted several labour statutes. There does not appear to be much prospect of industrialisation, as the Island's economy is almost entirely based on agriculture. There is therefore no immediate possibility of any spectacular rise in the national income, but at the same time the Island has to meet certain essential social needs, for the consideration of which a Commission has recently been appointed.

## General, Economic and Social Conditions

For an appreciation of Ceylon's labour problems it is necessary that one should have a knowledge of its geographical, demographic and social background. A short description of this background is attempted in this section.

### Geography and population

The Island has an area of about 25,000 square miles and a population (according to the census of 1946) of 6,633,617. Broadly speaking the country can be divided into 3 natural regions—the coastal areas, the central hill country and the dry zone. Despite its insular position and its nearness to the equator the Island has a great variety of climate. The greater part of the Island is well watered, but there is the so-called 'dry zone' which has an annual rainfall of less than 50 inches. Although the climate and physical features are varied enough to give a diversified flora and fauna, the mineral resources are extremely poor.

The country has an expanding population as can be seen from the last intercensal increase of 16.7%. The other important demographic feature is a high birth rate and a high death rate. The crude birth rate was 37.1 and the crude death rate 21.3 per 1,000 living persons in 1944. The maternal mortality rate was 13.7 and the infant mortality rate 135. It has also been estimated that the population contains a high proportion of infants and children of school age, and a low percentage of aged persons. The following figures give an indication of the religious and racial composition of the population.

Buddhists		Hindus		Muslims		Christians		Others
4,175,610		1,291,094		422,087		590,317		5,301
Low country	Kandyan	Ceylon	Indian	Indian	Other	Ceylon	Malays	Other
Sinhalese	Sinhalese	Tamils	Tamils	Moors	Indians	Moors		Races
2,319,732	1,695,416	804,950	666,007	56,718	29,533	358,147	24,837	49,019



It will be seen that the majority are Buddhists, with the Hindus coming next. The Sinhalese form the bulk of the population and the Ceylon Tamils, together with the Indian Tamils, form about a quarter of the population. The caste system prevails but is not so rigid as in India, and is slowly losing its place as a ruling factor in the day-to-day life of the people. However, it still has a hold, especially in the Northern and Eastern Provinces.

### Land utilization

Of the land available for cultivation only 7 million acres have so far been productively used. Of this area, 1,238,000 acres are devoted to coconuts, 856,000 to paddy, 854,000 to rubber and 550,000 to tea. Subsidiary agricultural products consist of arecanuts, cocoa, cardamoms, citronella, cinnamon, palmyrah and tobacco. They cover an area of approximately 235,000 acres. Grains, other than paddy, pulses, edible roots, miscellaneous crops and orchards, occupy a further 292,000 acres.

The bulk of the population (about 70%) is occupied in subsistence agriculture. The unit of life is the family and its income as in other countries with a predominantly agricultural economy, is generally low. There are also other factors which affect the economic life of the people. The Island's dependence on three primary export products—tea, rubber and coconut—makes its economy particularly vulnerable in times of depression. Further, the prevalence of malaria and hookworm on an extensive scale tends to sap the vitality of the people and renders productive effort, especially in the dry zone, extremely difficult. The Island has a liberal rainfall, but the rivers, being shallow, subject large parts of the country to periodical floods. The cultivation of food crops, except in the irrigated areas around the major tanks, depends mainly on the weather and the failure of a monsoon inevitably leads to drought, famine and disease.

### National Income

No accurate statistics of national income have been prepared, but certain unofficial estimates have been made from time to time. One such estimate has been made by B. B. Das Gupta, Professor of

Economics in the Ceylon University, for the Commission on Social Services.

It shows an annual *per capita* income of Rs. 100 in 1938 and Rs. 265 in 1944. The impact of the war and the vast imperial expenditure have undoubtedly increased the national income to a considerable extent, and it is likely that it will fall to the region of Rs. 200 per head in the post-war period. There is also other evidence that individual incomes are of a very low order. The economic surveys conducted by the Department of Commerce and Industries depict a low standard of life in most of the rural areas, with family incomes (gross) of less than Rs. 20 a month. These surveys were confined mainly to the coastal belts of the wet zone and the more prosperous parts of the Island. If similar surveys were conducted in the dry zone, an even smaller family income would have been disclosed.

### Literacy and Education

Education is legally compulsory from 6 to 14 years, but the figures of actual attendance at school portray a different picture. It is estimated that in 1944 there were 494,130 male children and 348,959 female children on the rolls of Government and assisted schools. An estimate of the population furnished by the Registrar General, however, shows that there were during this period some 840,000 boys and 770,000 girls of school age. It is therefore obvious that rather more than half of the boys of school age and rather more than 40% of the girls of school age are at school. Further, the average attendance is also very low and does not often exceed 75% of those on the rolls.

The 1921 census of population revealed 53.3% literacy among males and 21.2% among females. There is no doubt that the position has considerably improved since. But the figures of the 1921 census have to be taken with a certain amount of reserve, as it is unlikely that the literacy test was strictly enforced by the enumerators. The Registrar General's figures for general marriages show that in 1944 illiteracy was 5.8% among males and 23.9% among females. The test imposed was ability to sign the marriage register.

## Government

Prior to 1931 Ceylon was a Crown Colony, but from that year it has had a constitution based on elected representation on universal adult suffrage. The legislature consists of 3 official members, 50 elected members and 8 members nominated by the Governor. Financial measures are entrusted to the care of a Board of Ministers which consists of 7 elected Ministers and 3 official members. Labour administration and policy come under the Ministry of Labour, Industry and Commerce, and the Chief Executive Officer is the Commissioner of Labour. As a result of the Soulbury Reforms Proposals, a new Constitution will be inaugurated towards the middle of 1947. The new Constitution is intended to give greater autonomy to the people of the country, especially in internal affairs. The principal changes will be the abolition of the official members and the Executive Committee System of the Government. There will also be an increase in the number of members of the Council to 100, the introduction of a cabinet system of Government and the formation of two Houses—a House of Representatives and a Senate.

The country is divided into 9 Provinces for administrative convenience. The Officer in charge of each of them is known as the Government Agent. Some of the Provinces are also divided into districts at the head of the administration of each of which is an Assistant Government Agent. Local Government has been introduced in three Municipalities and in most urban areas. The rural areas have Village Committees.

### Occupational Distribution and Predominant Lines of Employment

No accurate figures are available to illustrate the present occupational distribution of the population, as there has been no detailed census since 1921. The figures obtained from the 1946 census will not be available for some time. It would, however, not be out of place to give some indication of the principal lines of employment of the people from the occupational tables of 1921 census. The following table classifies earners and dependants according to the occupations of earners in 1921:

## Occupations by Classes

Grand Total	..	4,498,605
A. Production of Raw Materials	..	2,902,680
I Exploitation of the Surface of the earth	..	2,898,001
II Extraction of Minerals	..	4,679
B. Preparation and Supply of Material Substances		1,041,657
III Industrial Occupations	..	533,400
IV Transport	..	162,433
V Trade	..	345,824
C. Public Administration and Liberal Arts	..	150,173
VI Public Forces	..	9,289
VII Public Administration	..	30,969
VIII Professions and Liberal Arts	..	97,959
IX Persons living on their incomes	..	11,956
D. Miscellaneous	..	404,095
X Domestic Service	..	117,524
XI Insufficiently described	..	272,458
XII Unproductive	..	13,415
XIII Miscellaneous	..	698

From the standpoint of employment, the country can be divided into three regions—(1) The estates, (2) The rural areas outside estates, and (3) The urban areas.

The three regions had the following population in 1921:

		<i>Persons</i>	<i>Percentage</i>
(1) Estates	..	568,850	12.7
(2) Rural areas *	..	3,348,802	74.4
(3) Urban areas	..	580,953	12.9
		<hr/> 4,498,605 <hr/>	<hr/> 100 <hr/>

The figures of the 1946 census for these areas are as follows:—

		<i>Persons</i>	<i>Percentage</i>
(1) Estates	..	849,569	12.8
(2) Rural areas	..	4,774,254	72
(3) Urban areas	..	1,009,794	15.2
		<hr/> 6,633,617 <hr/>	<hr/> 100 <hr/>

### Estates

The population of the estates is wholly engaged in the production of primary products, tea, rubber and coconuts. The following table compiled from returns furnished by employers utilising Indian labour on tea and rubber estates gives some idea of those employed on the plantations. Very little information, however, is available about the number of workers employed on coconut estates, and also of the total number of indigenous workers employed on tea and rubber estates :

	Indians				Non-Indians				Grand Total
	Men	Women	Children	Total	Men	Women	Children	Total	
1938				465,517				78,085	543,602
1943	197,157	183,321	60,429	440,907	54,622	46,458	18,965	120,045	560,952
1944	196,018	184,572	61,901	442,491	52,347	48,381	19,439	120,167	562,658
1945	198,924	186,406	61,891	447,221	53,533	48,647	18,463	120,643	567,864

### Rural Areas

In the rural areas outside the estates the great mass of the population is engaged in agriculture. There is very little employment at wages as the production of paddy has seldom been organised on a monetary basis. Where the cultivator is owner, he generally produces for consumption, and where he is not he very often shares in the produce. In the census of 1921 no less than 1,603,254 persons were returned as being primarily dependent on paddy cultivation. The 1921 figures also show that, apart from the resident population on the estates, there were at least 500,000 persons in the rural areas outside the estates, who were primarily dependent on employment on tea, rubber, coconut, cocoa and other estates. In view of the increased employment of indigenous population on estates, it is probable that at least about 750,000 persons apart from the resident population are at present dependent on the cultivation of primary products.

Apart from paddy cultivation there are other lines of rural employment. In 1921 there were 79,765 persons dependent on fishing and hunting and about 45,000 males and females sustained by coir manufacture. Plumbago mining is also a rural industry. It is estimated that there are about 4,000 persons engaged in it. Gemming provides a livelihood for about 1,000 persons mainly in the Province of Sabaragamuwa. The following classification from the economic survey gives some idea of the principal occupations in the rural areas :

	Agriculture	Trade	Handicraft	Labour	Others
Puttalam District	31.80	14.45	11.56	21.96	20.23
Kurunegala "	45.47	12.10	5.24	24.79	12.40
Galle "	31.4	13.2	18.6	15.3	21.5
Matara "	33.80	11.78	11.32	7.3	35.8

These figures probably under-emphasize the importance of agriculture. The 'trade' shown in the above table flows from agriculture and 'labour' is also engaged mainly in agricultural pursuits. There is evidence that in the Northern and Eastern Provinces paddy cultivation plays an even greater part in the livelihood of the people than in the areas where economic surveys have been conducted.

Though there are exceptions, it is clear that the prosperity of rural Ceylon depends on two factors. The first is the prosperity of the major export industries—tea, rubber and coconuts, and the second is paddy. Though the great majority of paddy cultivators produce for consumption, there are areas, notably, Anuradhapura, Hambantota and Batticaloa, from which paddy is sent to other parts of the country. The economic condition of the paddy producer depends to a large extent on the price which people have to pay for imported rice. During the war rice from Burma was not available, and local paddy was in demand and fetched high prices. It is likely, however, that when conditions return to normal and rice can be imported cheaply from Burma and other countries, the economic condition of the paddy producer will be less favourable than it is at present.

### Urban Areas

As is usually the case with countries which have a predominantly rural economy, the urban areas are mainly appendages of the rural areas. They are generally administrative and commercial centres for the neighbouring villages and estates. Industrialisation is in the infancy, and apart from a few mills and engineering workshops, very little has been done in this field by private enterprise. The manufacture of glass-ware, matches, soap and tiles, resulting mainly from the shortage of imported articles of this type, has made some headway. Small industrial units have also come into existence as a result of the enterprise of the Department of Commerce and Industries. Pilot factories have been established for the manufacture of quinine, leather, plywood, paper, acetic, acid ceramics and glass. Several cottage industries also play a vital part in furnishing a livelihood to a considerable section of the population.

The approximate number of persons employed in Government assisted cottage workshops and centres is in the neighbourhood of



about 6,500. With regard to private enterprise, in the textile handloom industry nearly 10,000, and in the coir spinning and weaving nearly 50,000 persons are employed, exclusive of those employed in Government-sponsored coir machine-spun industry where they number nearly 5,000.

It will therefore be seen that industrialization has not made much headway in this country, and that the predominant lines of occupation are still in agriculture and the plantation industries. Colombo is, of course, an exception. There is here a concentration of urban occupations which, coupled with transport and Government, gives a means of livelihood to a considerable section of those resident within Municipal Limits.

### Unemployment

It has been mentioned in the section on Social Security that unemployment first made its presence felt in Colombo during the last depression. To start with, a dole was paid to about 500 persons. In 1931, however, arrangements were made to provide work in levelling and filling up land in or near Colombo. From 1932-36 the Colombo Municipality provided relief works with the aid of a subsidy from the Central Government. From October 1936 until September 1942 the Central Government shouldered the entire responsibility for unemployment relief. As a result of the increased demand for labour created by the war in the Far East, all unemployment schemes were closed down in September 1942.

Registrations and placings by the Central Exchange, in Colombo, since its inception in 1938 are as follows :

	Total registered during the year	Total placed during the year
1938 (September to December)	16,480	223
1939	14,928	2,583
1940	6,047	5,936
1941	6,711	9,071
1942	5,375	8,129
1943	4,405	4,170
1944	2,753	1,875

In August 1945, steps were taken to deal with the problem of unemployment resulting from the reduction of requirements of the Services. A network of employment exchanges was established. Six sub-exchanges were opened in Colombo, and 18 exchanges in other

parts of the Island. The following statement gives details of the unemployed who registered for work, from September 1st, 1945, to October 31, 1946.

	Number registered less lapsed registration and cancellations	Number for whom employ- ment was found	Balance unemployed on Registers on 31st October 1946
(a) Professional and Technical	1,668	62	1,606
(b) Clerical	5,729	1,384	4,345
(c) Skilled	14,334	3,925	10,409
(d) Semi-skilled	9,014	1,476	7,538
(e) Unskilled	24,839	11,701	13,138
	<u>55,638</u>	<u>18,548</u>	<u>37,090</u>

The total number of unemployed sent for consideration to employers from September 1, 1945, to October 31, 1946, was 34,564, and employment was found for 18,548 persons. This figure of 18,546 (total placed) is obtained from Introduction Cards returned to the Exchanges. It can be assumed that a larger number have in fact found employment, as employers do not always notify the Exchange that they have employed the applicants sent by the Exchange. This is borne out by the fact that a considerable number of the unemployed do not renew their registration when it lapses at the end of 3 months, presumably because they do not require further help.

Approximately two-thirds of the unemployment in Ceylon is in the Colombo area, and one-third in the rest of Ceylon. About 35% of those registered at the Colombo Exchange are ex-servicemen.

There is normally very little unemployment in Ceylon of the type that highly industrialized countries are used to. The problem is really one of under-employment, as peasant cultivators, and agricultural workers can find work only for limited period of the year.

### Schemes for full employment

In addition to the usual opportunities available for obtaining employment through the Employment Exchanges the following schemes have been formulated to assist Ex-servicemen in securing employment.

#### (i) Reinstatement in civil employment.

By virtue of several Ordinances enacted for the purpose ex-service-men who were reservists or volunteers in the Ceylon Defence Force or

Ceylon Royal Naval Volunteer Reserve and were called up for war service are legally entitled to reinstatement in the civil jobs they held before they were mobilised. The question of extending these benefits to employees who enlisted in the Ceylon Defence Force, or in the Ceylon Royal Naval Volunteer Reserve, after the dates of the calling out of these forces, and also to employees who enlisted in any Imperial Unit such as the Royal Artillery, or the Royal Army Service Corps, is under consideration.

(ii) Concessions in regard to Government employment.

Government has issued instructions for granting concessions in respect of age, educational qualifications, entrance examinations, salaries, reservation of a portion of posts for ex-servicemen and reduction of period of apprenticeship where possible.

(iii) Assistance for further education.

This scheme provides facilities for ex-servicemen whose education or training for a career was interrupted by war service or who were unable by reason of war service to continue their education.

(iv) Resettlement of disabled ex-servicemen.

This scheme provides for the payment of a grant to substantially disabled ex-servicemen whose disability is attributable to war service and is of a kind which justifies a grant in order to enable him to start or restart a business on his own account.

### Other general schemes

Immediately after the cessation of hostilities in 1945, when large numbers of workers were discharged by the Services, instructions were issued by Government to re-start work on schemes which were suspended during war years and to intensify work on others so that some of the unemployed workers could be absorbed into them. Some of these schemes are—(a) filling up of land and other work connected with the construction of a new bridge near Colombo over the Kelani river ; (b) Hydro-electric Scheme at Watawala ; (c) dredging of Kandy lake ; (d) certain irrigation schemes, etc. A number of labourers were given work in the demolition of ARP shelters, warden posts, static tanks, etc., in Colombo. Work on the site of the new University at Peradeniya was started. Three carpentry workshops were established at Colombo, Kandy and Galle to give employment for carpenters discharged by the Services. There is still a shortage of labour on estates, in state farms

and the salterns. Unemployed workers appear to be reluctant to accept such work. Further the capacity of local industries to absorb skilled and clerical workers is small in comparison with the number who have found employment as a result of the war. The economy of the country is still predominantly agricultural and as such unless the surplus wartime employees take to agriculture, or subsidiary industrial occupations can be found for them, the unemployment problem is likely to create considerable difficulties in the near future.

### Wages and Hours

Up to 1842 the regulation of wages by legislative machinery was confined to immigrant labourers employed on the plantations. In other trades, wages were fixed by the inter-play of the forces of supply and demand.

The fixing of minimum wages for Indian immigrant labourers commenced in 1927 with the passage of the Minimum Wages (Indian Labour) Ordinance. The rates in force in 1939 and thereafter are given below :

Prior to June 1939		Man	Woman	Child	
		Cts.	Cts.	Cts.	
	Up-country	49	39	29	
	Mid-country	43	35	25	
	Low-country	41	35	24	
From 12th June 1939 to 31st January 1941	Up-country	49	39	29	{ with rice at Rs. 4.80 per bushel.
	Mid-country	47	37	28	
	Low-country	45	36	27	
From February 1941 to 30th April 1942	Up-country	54	43	32	{ with rice at Rs. 4.80 per bushel.
	Mid-country	52	41	31	
	Low-country	50	40	30	
From 1st May 1942 to 30th July 1945	Up-country	57	46	35	{ with rice at Rs. 4.80 per bushel.
	Mid-country	55	44	34	
	Low-country	53	43	33	

A 'dearness allowance' has been paid in addition from 1942.

The advent of the war with Japan led to further changes. The Defence Regulations declared certain industries essential to the life of the community, and all workers employed therein were required to be paid wages which the generality of employees were receiving in those

industries. It followed that indigenous labour became entitled to the wages fixed under the Minimum Wages (Indian Labour) Ordinance.

It was not, however, till the establishment of Wages Boards, under the Wages Boards Ordinance in 1944, that the regulation of minimum wages was extended to other employments. Wages Boards have fixed minimum wages for the following trades:

1. Tea Growing and Manufacturing Trade.
2. Rubber „ „ „
3. Coconut Trade.
4. Engineering Trade.
5. Printing Trade.
6. Plumbago Trade.
7. Rubber Export Trade.
8. Tea Export Trade.
9. Toddy, Arrack and Vinegar Trade.
10. Cigar Manufacturing Trade.
11. Cocoa, Cardamom and Pepper Growing and Manufacturing Trade.

The minimum rates of wages fixed by the above Wages Boards are as follows :

(a) Tea Growing and Manufacturing Trade : An adult male worker is entitled to a daily basic rate of 58 cents, a female worker to 46 cents and a child worker to 41 cents. A male worker, a female worker and a child worker are in addition entitled to a special allowance of 67 cents, 54 cents and 47 cents per day respectively when the cost of living index number for the preceding month is 215. For any increase or decrease in the cost of living index, the special allowance is varied, for each complete unit of five points, by 3 cents in the case of a male worker and by 2 cents in the case of female and child workers.

(b) Rubber Growing and Manufacturing Trade : Rates of wages for this trade are similar to those fixed for the Tea Growing and Manufacturing Trade.

(c) Coconut Trade : In the agricultural section of the trade (plantations of the manufacture of copra) the daily basic rate in the case of a male worker is 60 cents, in the case of female workers 46 cents and in the case of young workers 35 cents. In the manufacturing section of the trade (desiccated, oil, fibre and coir) basic rates vary from Rs. 1.03 per day for a male worker working in the Colombo

area to 39 cents in the case of a young worker working outside a radius of five miles from Colombo Municipal limits. The daily special allowances for workers in this trade are 65 cents in the case of a male worker, 47 cents in the case of a female worker and 40 cents in the case of a young worker when the cost of living index number is 215. The variation for every five points rise or fall is the same as in the Tea and Rubber trades. Piece rates have also been fixed for certain types of work.

(d) Engineering Trade : Daily basic rates are—

Unskilled labourers	Rs 1.24
Semi-skilled workers, Grade I	1.44
„ II	1.28
Skilled workers	1.80

The daily special allowance is 62 cents in the case of an unskilled labourer and 72 cents in the case of other workers, when the cost of living index number for the preceding month is 215, the variation being 3 cents for every five points rise or fall in the cost of living index number.

(e) Printing Trade : Monthly rates of wages are applicable to workers engaged in this trade. Minimum rates have been fixed for seven classes of workers, and vary from Rs. 100 per mensem (basic rate) for Class A workers (lino and monotype operators) to 18 per mensem (basic rate) for young unskilled workers. The monthly special allowance is 40 per cent of the basic rate for the higher paid workers and 50 per cent for the lower paid workers, when the cost of living index number is 200. The monthly variations for every five points rise or fall range from Rs. 2 to 94 cents.

(f) Plumbago Trade : A series of basic rates have been fixed for various classes of workers. These range from Rs. 2.08 per day for the most skilled type of worker to 40 cents per day for young unskilled workers. The special allowance payable is 43 cents per day for a male worker, 35 cents per day for a female worker or a young worker with a variation of 2 cents per day for all classes of workers, for every five point rise or fall in the cost of living index.

(g) Tea Export Trade : Daily basic rates range from Rs. 1.24 for Grade II workers to Rs. 1.60 for Grade I workers doing heavy carrying work. The special allowance is 62 cents per day for workers entitled to a basic rate of Rs. 1.24 and 72 cents for other workers, when the cost of living index number is 200. Female workers are



entitled to a basic rate of Re. 1 and a special allowance of 50 cents per day. Young workers are entitled to basic rates varying from 60 cents to Re. 1 and special allowances from 30 to 50 cents per day. The variation in this trade is 2 cents per day for young workers and 3 cents per day for other workers.

(h) Rubber Export Trade : Rates of wages for this trade are similar to those fixed for the Tea Export Trade.

(i) Toddy, Arrack and Vinegar Trade : Piece rates have been fixed for certain activities and time rates for other activities. The monthly time rates vary from Rs. 35 to Rs. 100. The daily time rates are :

(i)	for a male worker not under 16 years of age	Rs. 1.70
(ii)	„ „ under 16 „ „	1.13
(iii)	„ female „ not under 16 „ „	1.30
(iv)	„ „ under 16 „ „	.87

(j) Cigar Manufacturing Trade : The minimum rate of wages for piece work for cigar rolling is Rs. 4.60 for every 1,000 cigars rolled.

(k) Cocoa, Cardamom and Pepper Growing and Manufacturing Trades : Rates of wages for this trade are similar to those fixed for the Tea Growing and Manufacturing Trade.

### Overtime Rates

The Engineering, Printing, Tea and Rubber Export and Plumbago Trades have hourly overtime rates at  $1\frac{1}{2}$  times the daily minimum rate (basic rate plus special allowance) divided by 8.

In the Coconut and the Toddy, Arrack and Vinegar Trades the hourly overtime rate is  $1\frac{1}{4}$  times the daily minimum rate (basic rate + special allowance) divided by 8.

In the Tea, Rubber, Cocoa, Cardamom and Pepper Growing and Manufacturing Trades there are two sets of overtime rates:  $1\frac{1}{4}$  times the minimum daily rate for the period 7 a.m. to 7 p.m. and  $1\frac{1}{2}$  times the minimum daily rate for the period 7 p.m. to 7 a.m.

### Government Rates of Wages

Government rates of wages compare favourably with rates of wages in private employment.

The following are the principal rates in force :

(a) for engineering and factory labour

Class of labour	Minimum	Maximum	Rate of increment (annual)
	Rs. C.	Rs. C.	Rs. C.
Unskilled			
Boys over 16	.80	—	—
Boys over 17	1.0	—	—
Women	1.0	1.16	0.4
Men	1.24	1.40	0.4
Semi-skilled			
Grade II	1.28	1.76	0.8
Grade I	1.44	1.92	0.8
Skilled			
Grade II	1.80	3.0	0.12
Grade I (3)	3.04	4.32	0.16
Minor supervisors			
Grade II	2.72	5.12	0.24
Grade I	4.0	6.64	0.24
Trade Apprentices	1.0	1.56	08.12 & 16 cts.

(b) For agricultural and field labour

Class of labour	Minimum	Maximum	Rate of increment (Annual)
	Rs.	Rs.	Rs.
Unskilled			
Boys	.64	.72	.4
Women	.72	1.4	.4
Men	.96	1.28	.4
Semi-skilled	1.20	1.76	.8
Skilled or Supervisory			
Grade II	1.72	2.80	.12
Grade I	3.0	4.28	.16

### Normal Working Day

All Wages Boards have fixed the normal working day as 9 hours (inclusive of one hour for a meal). Saturday is a shorter working day in the Printing Trade with 6 hours, in the Engineering Trade with 6½ hours and the Tea and Rubber Export Trades and a section of the Coconut Trade with 7 hours, in all cases inclusive of one hour for a meal. Work on Saturday in the case of shop assistants is limited to 5 hours and that also before 2 p.m.

The normal working day for Government workers engaged in Engineering and Factory work is 8 hours each day from Monday to Friday and  $5\frac{1}{2}$  hours on a Saturday. In the case of other Government daily paid employees the normal working day consists of  $8\frac{1}{2}$  hours each day, from Monday to Friday, and  $5\frac{1}{2}$  hours on Saturday.

### **Payment of Wages**

Workers in the Engineering, Tea Export and Rubber Export Trades have to be paid their wages weekly and within 4 days of the end of the week. In the other trades, wages are usually paid monthly and cash advances given in between.

### **Weekly Holiday**

Sunday is the weekly holiday for all workers in the Coconut, Engineering, Printing, Tea Export and Rubber Export Trades. Sunday is also the weekly holiday for certain workers in the Tea, Rubber, Cocoa, Cardamom and Pepper Growing and Manufacturing Trades. All shop employees are entitled to  $1\frac{1}{2}$  days as holidays in a week.

Sunday is the weekly holiday for all workers under Government. The weekly holiday, except in the case of shops, is without pay.

### **Annual Holidays**

Annual holidays with pay varying from 10 to 14 days are grantable subject to a minimum qualifying period of work ranging from 180 days to 232 days to all workers engaged in trades for which Wages Boards have been established except in the case of the Cigar Manufacturing Trade. Shop employees have to be granted 7 days as annual holidays, and 14 days as casual leave.

### **Family Budgets**

A survey of the cost of living of manual labourers in Colombo was carried out in 1938 by the Department of Commerce and Industries. This investigation covered the day-to-day expenditure of 351 families

and the resulting index has been used by Government for the same purpose, and in certain trades coming under the purview of Wages Boards for the purpose of computing the special allowance payable to workers employed in these trades.

The survey disclosed that the average composition of a family was 5.64 members and the monthly income Rs 39.14 for the head of the family, and Rs. 8.95 for the remainder, giving a total of Rs. 48.09. Details of expenditure were as follows:

	<i>Amount</i>	<i>Percentage</i>
	Rs.	Rs.
Food	27.64	52.40
Fuel and light	3.31	6.28
House rent	8.42	15.96
Clothing	4.41	8.36
Miscellaneous	8.97	17.00
	<u>52.75</u>	<u>100</u>

This reveals an over-expenditure of Rs. 4.66 which can be attributed to the tendency to understate incomes.

Another investigation was undertaken in 1941 by Mr. M. Rajayanaygam, Deputy Commissioner of Labour, into the income and expenditure of 1,511 workers in 516 families on estates employing Indian labour. The income of an adult male upcountry labourer was found to be Rs. 11.30 and expenditure Rs. 10.56, Rs. 10.47 and Rs. 10.19 in the mid-country and Rs. 9.70 and Rs. 8.94 in the low-country. The expenditure of an up-country labourer can be classified as follows:—

	<i>Amount</i>	<i>Percentage</i>
	Rs.	Rs.
Food	7.125	67.5
Clothing	1.37	12.9
Fuel and light	.219	2.1
Miscellaneous	1.85	17.5
	<u>10.564</u>	<u>100</u>

The resulting index has hitherto been used for the computation of dearness allowances payable to Indian estate labourers. Since the passing of the Wages Boards Ordinance and the coming into force of the decisions of Wages Boards in August 1945, the index is being used for the computation of the special allowance payable to workers engaged in the plantation industries and in plumbago mining.

The two budgets were subjected to a further scrutiny in 1943 by a Committee consisting of the Chief Secretary, Financial Secretary, Minister of Labour, Industry and Commerce and the Civil Defence Commissioner. The Committee were requested to examine the question of the cost of living and the payment of the dearness allowance to estate labourers and the war bonus to Government servants, with a view to formulating a scheme for the future assessment of the cost of living and the determination of these allowances. The Committee made its recommendations in March 1943 and suggested the adoption of an altered budget and also some amendments in the method of computation. The chief alteration in the budget was that more prominence was given to wheat and it was decided that prices to be taken into the computation of cost of living indices should be those supplied by respective price Controllers. The following table gives a comparative statement of the two indices from 1940 to 1946:

*Comparative Statement of cost of living index numbers—Colombo Working Class and Estate Labour*

		1940	1941	1942	1943	1944	1945	1946
March	Colombo Working Class.....	110	117	143	198	198	217	223
	Estate Labour.....	—	115	132	194	207	220	227
June	Colombo Working Class.....	109	121	160	197	200	223	228
	Estate Labour.....	103	118	151	193	213	222	221
Sept.	Colombo Working Class.....	113	125	178	199	203	221	233
	Estate Labour.....	107	121	178	199	216	227	233
Decr.	Colombo Working Class.....	120	132	183	199	203	222	
	Estate Labour.....	111	125	173	203	210	224	

### Industrial Relations and Trade Unionism

As in most countries, it has been found necessary in Ceylon to establish machinery for the regulation of industrial relations between employers and work-people in order to secure industrial peace.

The establishment of such machinery became urgently necessary only after the commencement of the trade union movement.

The trade union movement became effective in the plantation industries for the first time in the year 1939. At that stage no machinery existed for the settlement of disputes in these industries by the method of collective bargaining. Employers were loath to recognise unions or to enter into negotiations with them regarding disputes that arose in their individual plantations. After a series of conferences initiated by the Minister of Labour, an agreement was

drawn up between the planting interests and the trade unions in 1940, whereby the planting industries agreed to recognise the right of their employees to combine and further to negotiate with registered trade unions. The unions, on their behalf, undertook to resort to the method of collective bargaining rather than to the weapon of strike as a means for the redress of grievances of their members.

The registration of trade unions is effected under the Trade Unions Ordinance No. 14 of 1935. Under this Ordinance any Association or combination of workmen or employers, with one or more of the objects stipulated in the Ordinance, is obliged to get itself registered within a period of three months reckoned from the date on which it was established. Penalties are attached for failure on the part of any trade union to register. The usual immunities are provided for registered trade unions.

The recognition by employers in the planting industries of registered trade unions gave an immediate fillip to the trade union movement, and the number of registered trade unions rose rapidly during the period 1940 to 1946. The movement spread from the plantation industries to industrial establishments, such as workshops and factories, particularly in Colombo where a concentration of urban workers exists.

The relationship between employers and work-people in industrial undertakings began to be regulated on lines similar to those established in the plantation industries. Employers began to recognise the right of their work-people to combine and to treat with registered trade unions which claimed membership among their employees and indicated a desire to negotiate regarding disputes and grievances.

No set negotiating machinery was, however, established, but the tendency grew for employers in various industries themselves to combine and establish a regulated procedure for negotiating with unions. By this means some kind of uniformity was created as to the manner in which negotiation and collective bargaining were to be conducted between employers and employees in the settlement of disputes and the discussion of demands for improvement in terms and conditions of employment. The present tendency is for Employers' Associations to be formed on a broader basis with considerable centralisation, and with more effective co-ordination of the employer's view-point.



World War II caused no abatement in the growth of the trade union movement. Although several industries, including the plantation industries, were declared essential services and workers in such industries were deprived of the right to strike, the machinery of compulsory arbitration was established under the Essential Services (Avoidance of Strikes, Lockouts) Order, whereby employers and employees were given the right to apply to the Commissioner of Labour to have any trade dispute in essential industries referred to a District Court or an arbitrator for adjudication. This salutary provision, though often complained against by unions, reacted generally to their advantage. Trade unions which normally in their nascent state would not have been strong enough to obtain their demands for improvement in terms and conditions of employment by the method of collective bargaining, succeeded by resort to compulsory arbitration in obtaining substantial benefits for their members in essential services. Thereby unions were able not only to increase their hold on work-people but also to strengthen their position *vis a vis* employers who found themselves obliged to give serious consideration to the demands of their employees as represented by trade unions.

Over 80 Trade Unions were functioning in 1945 ; and of these, the Ceylon Indian Congress Labour Union had a membership of 42,273 ; the Ceylon Labour Union, of 16,682 : and the Ceylon Mercantile Union, of 3,956. The total membership of the Unions affiliated to the various federations of labour was as follows :

All Ceylon Trade Union Congress	21,398
Ceylon Trade Union Federation	13,830
Ceylon Federation of Labour	2,196

Inter-union rivalry is a serious defect of the Ceylon labour movement, and cases are not unknown of groups of workers being persuaded to abandon one union and join another. Multiplicity of unions in the same trade or industry makes negotiations difficult, undermines industrial peace, and demoralises the workers themselves. Besides, the movement has not yet developed the leadership it deserves, and it is to be hoped that the Trade Union Adviser from the United Kingdom who is to go into these matters will be able to spread among the working classes of the Island healthier ideas as to the management and functioning of Trade Unions.

With the termination of the war and the removal of several industries from the category of essential services as defined in the

Defence Regulations, the only legal enactment that can be utilised for the investigation and settlement of industrial disputes is the Industrial Disputes (Conciliation) Ordinance. Under this Ordinance the Commissioner of Labour is empowered to refer trade disputes to Conciliation Boards appointed in terms of this Ordinance for the purpose of inquiry into the merits of trade disputes or in order that endeavours may be made to effect settlements. There is no provision, however, for compulsory arbitration in this Ordinance.

Draft legislation has now been prepared for the registration of collective agreements for conciliation and the voluntary submission of disputes to arbitration and for compulsory arbitration in public utility services, and this is receiving the active consideration of the Government.

The testing-time of the trade union movement is now at hand. Membership in unions was at its highest during the war years when full employment obtained. As a result of the withdrawal of the Services and the consequent elimination of wartime activities, there has been a considerable contraction in employment. Discontinuance of workers on a large scale is consequently inevitable. Unions are likely to lose a considerable proportion of their members, and the prospect of unemployment is hardly likely to leave in the worker the same degree of enthusiasm for his union as he displayed in times of full employment. Trade Unions are, therefore, likely to lose in members and in bargaining power, and must necessarily remain on the defensive.

### Trade Disputes and Strikes

The Administration Report of the Commissioner of Labour for 1936 records the occurrence of three strikes in that year. The following figures give details for the years 1937-1945 :

1937	..	5	
1938	..	5	
			<i>Other than</i>
			<i>Estates</i>
			<i>Estates</i>
1939	..	5	42
1940	..	8	36
1941	..	13	27
1942	..	14	8
1943	..	31	21
1944	..	66	26
1945	..	53	28

Grievances were of a varied character. During the war the most common ones were connected with demands for increased wages. Another common cause was the dismissal of a worker or a number of workers as a disciplinary measure.

### Immigration

The majority of immigration workers are Indians. They can be conveniently divided into two classes—(a) those assisted to migrate and (b) those who pay for their journey to the Island.

The first group consists wholly of estate labourers and their dependents, and they are either recruited or non-recruited. In normal times the migration of non-recruited workers is sufficient to supply the requirements of the plantation industries, but when additional labourers are required it has been the practice to issue recruiting licences to individuals. The second group consists of shop-keepers, petty traders and labourers employed elsewhere than on estates. This second stream is numerically smaller and has been estimated at about 160,000.

There is evidence that immigrant labour came to Ceylon from India as far back as 1837. In that year it was estimated that there were about 10,000 immigrant labourers on 5,000 acres of coffee. By 1877 it was found that there were no fewer than 380,000 Indian labourers in the Island. The flow into the Island of labourers in such large numbers necessitated arrangements for their maintenance and transport. In 1898 Quarantine camps were established at Tatapari and Pamban and later at Mandapam. Subsequently the Ceylon Labour Commission was established in 1904 by employers to supervise the system of recruitment and the welfare of immigrants on their journey to Ceylon. In 1923 Government established the Immigration Fund to defray the cost of recruitment and the maintenance of recruited labourers on their journey to Ceylon. The fund is raised by the imposition of quarterly acreage fees levied on tea, rubber, coconut and cardamom estates.

Indian labour has also been employed by Government Departments. In the early days a semi-military Corps known as the Pioneer Corps was utilised for the construction of roads, bridges and irrigation works. The Public Works Department and other Government Departments, especially the Railway and the Harbour Engineer's

Department, have also relied on Indian labour, but of late there has been no direct recruitment.

In time of depression, surplus Indian labour usually returns to India, and during the period 1930-33 it is estimated that about 100,000 such labourers left Ceylon for India. The presence of a large immigrant population has nevertheless created special problems, especially when employment is not readily available for the indigenous population. The policy of preferential treatment for Sinhalese had its origin in the reduced opportunities of employment for the local population and the retrenchment resulting from the depression. Matters came to a head in 1938, when the Ceylon Government decided to discontinue the services of daily paid Indians employed in Government Departments. As a result of this measure, 2,517 workers were discontinued. As a retaliatory measure the Government of India, acting under the Indian Immigration Act issued a notification prohibiting all persons from leaving India for Ceylon for purposes of unskilled work, unless exempted by special order. This action was taken on the basis that the Government of Ceylon had decided to terminate the employment of a large number of Indian unskilled workers and had proclaimed a policy of further discontinuance in due course.

This sudden stoppage of immigration by the Government of India, caused considerable hardship to the migrant population on the estates. A large number of such persons who were in India at this time on their periodical visits were prevented from returning to Ceylon, and those in Ceylon were prevented from paying their regular visits to India. Although the decision of the Ceylon Government was directed against unskilled labour in its own employment, the action of the Indian Government resulted in immediate hardship being caused to Indian labourers and to employers on estates. In 1945, however, the restriction placed by the Government of India was slightly modified and it has since been possible for those who were in employment in Ceylon on 1st September 1942 to proceed to India and return to Ceylon thereafter.

The question of immigration is also closely connected with the other more important question of the political status of Indian immigrants. From the point of view of the Indians they were faced with difficulties in connexion with the franchise, which depends on Articles 7, 8 and 9 of the Order-in-Council of 1931. They have to establish either a domicile of choice or obtain a certificate of permanent settle-

ment. Immigrant workers are also put to the further embarrassment of having to re-establish their electoral rights at every revision of the electoral roll. Apart from this, they also feel that they are denied certain rights of citizenship such as exclusion from the Village Communities Ordinance, and the holding of land under the Land Development Ordinance. It is no doubt true that a large number of immigrants have made Ceylon their home, and that some test should be laid down to enable such persons to secure the franchise and other rights of citizenship. Ceylon on the other hand has the undoubted right to restrict further immigration, to regulate the franchise, and to safeguard the claims of the indigenous population. As the two countries are likely to have independent Governments in the near future, there is unlikely to be any further delay in the settlement of this question, in a friendly atmosphere, resulting in the grant to those who have been absorbed into the country the rights which other citizens enjoy.

### Labour Legislation

As in India, labour legislation in Ceylon has in the past been initiated mainly to regulate the specific needs of certain types of workers. Except for one or two general ordinances, much of the earlier legislation dealt with estate labour. Since the inauguration of the Donoughmore Constitution in 1931, however, most labour legislation has been on uniform principles, and has been made applicable to labour in general. Legislation has also been introduced to give effect to sixteen International Labour Conventions accepted by Ceylon.

### General

#### *Contracts for Hire Service (Chapter 59 of the Revised Legislative Enactment)*

This Ordinance dates back from 1865 but it has been amended several times, the last being in 1927. It stipulates that, except in the case of work which is usually done by the job or by the day or the journey, a verbal contract is deemed to be a contract of hire and service for one month, unless otherwise expressly stipulated. A contract for a longer period than one month is required to be a

written contract. Provision is also made for giving of notices, for summary dismissals and for the prompt payment of wages to persons employed under contracts of service. Any servant who falls ill is also entitled to food and medical care at the expense of the employer.

*Employment of Women, Young Persons and Children (Ordinance  
No. 6 of 1923 as amended by Ordinance  
No. 16 of 1940 and 46 of 1941)*

Under these Ordinances 'a child' is a person under the age of 14 years and 'a young person' is one who has ceased to be a child and is under the age of 18. No child can be employed in any industrial undertaking or shop, except with a member of the same family, and no young person or woman may be employed at night in any industrial undertaking. This legislation was introduced to give effect to the Conventions 4, 5, 6 and 7.

*Employment of Females in Mines (Chapter 109 of the Legislative  
Enactments)*

This prohibits the employment of women in manual labour underground.

*Registration of Domestic Servants Ordinance  
(Chapter 115 of the Legislative Enactments)*

This Ordinance provides for the registration of domestic servants in certain proclaimed areas and is under the supervision of the Inspector General of Police. It obliges every servant to register himself and to supply the Registrar with information regarding his age, country of origin and previous service. No employer in any proclaimed area may engage the services of a servant without the production of a pocket register. He is also required to enter in the pocket register the date of engagement and discharge and any entry as to the character of the servant.

*Industrial Disputes Conciliation Ordinance (Chapter 110 of the  
Legislative Enactments)*

The Ordinance gives the Commissioner of Labour power to set up Conciliation Boards consisting of a Chairman and members representing parties to a dispute. Any settlement or recommendation



of a Board is publishable in the Government Gazette and in the English, Sinhalese and Tamil newspapers, and the parties have to signify their acceptance or rejection of them within 14 days of such publication. Settlements can however be repudiated after 14 days' notice.

*Trade Union Ordinance (Chapter 116 of the Legislative Enactments)*

The registration of trade unions is compulsory. The Registrar has the power to register any trade union even if the rules are in restraint of trade but do not conflict with the provisions of the Ordinance. There is an appeal from the decision of the Registrar to the Supreme Court. One of the principal requirements for registration is that one-half of the office-bearers should be persons engaged in the industry. Annual audited Returns should be furnished to the Registrar.

*Workmen's Compensation Ordinance (Chapter 117 of the Legislative Enactments)*

This Ordinance is closely modelled on the Indian Workmen's Compensation Act, 1923, and the administration of it is vested in the Commissioner of Labour. It provides for the payment of compensation to workmen (in 32 categories enumerated in the Second Schedule to the Ordinance), who sustain personal injury by accident arising out of or in the course of employment. Where death results from the injury, compensation is payable to the deceased workman's dependants. Compensation is however not payable unless the total or partial disablement of a workman exceeds 7 days, nor is it payable, except where death results from the injury, where the workman has been at fault. Provision is also made for the payment of compensation for a limited number of occupational diseases.

*Maternity Benefits Ordinance, No. 32 of 1939*

This Ordinance applies to women employed in shops, estates, mines or factories in which 10 or more persons (other than casual workers) are employed. No such woman worker can be employed for four weeks following confinement. Maternity Benefit is payable at the rate of Re. 1 per day for a period of 6 weeks—two weeks before and 4 weeks after confinement. An employer is not liable

to pay such benefits except where a woman worker has worked for at least 150 days in a 12-months period. Where employers have made adequate provision for a maternity service, they can be authorized to give alternative benefits, consisting of a cash payment of Rs. 24, the use of a lying-in-room or maternity ward, free food and the services of a midwife at confinement.

*Children and Young Persons Ordinance, No. 48 of 1939*

This has not been brought into operation as yet. It establishes juvenile courts and prohibits the committal of young offenders to prison. Rules are also framed for conducting remand homes and approved schools. Part IV of the Ordinance regulates the age of employment. No child under 12 years of age can be employed, and children under 14 cannot be employed at night or in any occupation which is likely to be injurious to health. A child is one who is below the age of 14 and a young person is one below the age of 16.

*Wages Boards Ordinance No. 27 of 1941 as amended by  
Ordinances No. 40 of 1943 and 19 of 1945*

The Ordinance consists of two parts. The first part applies to all trades. It makes provision for the maintenance of records, the prompt payment of wages and the prohibition of deductions from wages other than for authorized purposes. Part II enables the Minister to establish Wages Boards for various trades. Each Board is composed of an equal number of members representing employers and employees and of nominated members not exceeding three. The Commissioner of Labour is the Chairman of all Wages Boards but has no vote. The Ordinance empowers the Boards to fix minimum rates of wages including overtime rates, periods for wage payment, the normal working day and weekly and annual holidays. Wages Boards have also the power to appoint District Wages Committees and to hold inquiries, for which purpose they have the powers of a District Court. Employers are also required to keep registers of their employees and of wages paid.

*Shops Regulation Ordinance No. 66 of 1938, as amended  
by Ordinance No. 18 of 1940*

This Ordinance seeks to control the hours of opening and closing of shops, and the working hours of shop assistants. A working day

is fixed at 8 hours with 45 hours for a week. One full holiday and one half holiday in each week must be allowed by every employer to each shop assistant. Every shop assistant is also entitled to annual holidays—7 days with full wages and another 14 days on account of private business, ill-health or other reasonable cause. Rest periods are provided after four hours continuous employment. Provision is also embodied in the Ordinance for adequate lighting, sanitation and for the provision of seats for female employees.

### **Estate Labour**

#### *Indian Immigrant Labour Ordinance (Chapter 111 of the Legislative Enactments)*

The Ordinance regulates the arrangements necessary for the immigration of Indian workers. The cost of immigration is met out of a fund raised from acreage fees levied under the Ordinance. The entire cost of the recruitment, transport, maintenance and repatriation of immigrant workers is met from this fund.

#### *Estate Labour (Indian) Ordinance (Chapter 112 of the Legislative Enactments)*

This Ordinance applies the provisions of the Service Contracts Ordinance (Chapter 59 of the Legislative Enactments) to Indian estate labourers, and provides for the payment of wages (within ten days of the end of each month). Wages are also made a first charge on the estate. Employers are required to issue Discharge Certificates in a prescribed form when the services of a worker are terminated. Amendments introduced in 1941 provide for separate room accommodation for married couples with children.

#### *Minimum Wages (Indian Labour) Ordinance (Chapter 114 of the Legislative Enactments)*

The Wages Boards Ordinance has to a large extent superseded this Ordinance. It provides for overtime rates being paid for work in excess of nine hours. Until 1945 Estate Wages Boards and the Board of Indian Immigrant Labour regulated minimum wages for Indian immigrant labourers. Under this Ordinance provision also exists for compelling the free issue of 18th bushel of rice to every Indian male labourer above the age of 16 who is employed on an

estate and to every resident widow having a child less than 10 years of age. In the alternative, free meals as approved by the Commissioner of Labour can be issued to each child resident on the estate.

### Nutrition

As Ceylon is primarily dependent for its food on imports, the nutritional level, especially of the working classes, is apt to be greatly influenced by economic prosperity. In time of depression there has been a noticeable drop in the importation of foodstuffs and a consequent lowering of the health of the people.

The first nutritional survey was conducted among school children in 1933. The survey illustrated that 29% of the children examined were suffering from phrynoderma and 8.3% from sore mouth. Another investigation conducted in 1926 showed that very few consumed meat, milk or eggs and the vast majority subsisted on a diet which was deficient in proteins, minerals and vitamins. The following table shows the incidence of malnutrition amongst school children between the year 1933 and 1944.

Incidence of signs of malnutrition

Year	No. examined	Phrynoderma per cent.	Sore Mouth per cent.	Bitot's spo's per cent.
1933-34	3,792	29.0	8.3	—
1938-39	5,184	4.0	13.4	1.8
1941	3,420	0.5	7.2	0.9
1942	3,823	0.3	2.0	0.8
1943	3,332	0.9	2.7	1.9
1944	5,454	2.1	6.2	1.5

It will be observed from the above figures that there has been a general improvement from 1938 onwards.

In 1940-41 the diets of certain villagers were examined and it was found that 39% of the diets were deficient in energy-producing foods: 55% in proteins and 60% in calcium. These surveys also showed that the rural population had an income, which was too low to procure a well-balanced diet.

The impact of the war has also had its effects on nutrition. The people who had for generations been accustomed to rice had to change

over to wheat flour. Consequent on the shortages resulting from the war malnutrition increased. Sore mouth and phrynoderma rose to 6.2 and 2.1 per cent. respectively in the early part of 1944. The death rate also rose from 18.6% to 21.4% and the infant mortality rate from 120 to 132 per thousand births in 1943. A slight increase was shown in the consumption of milk, probably due to the importation of quantities of dried milk from abroad. The surveys carried out before the war revealed that the average cost of a rural meal was 14 cents. By 1944 the average cost had risen to 38 cents, but the quality showed a slight deterioration.

Improvements in the nutrition of the working classes has been mainly due to the Public Health activities of the Department of Medical and Sanitary Services, the provision of canteens by employers, the free feeding of school children and the supply of free milk to children.

### Housing

The standard of housing in Ceylon is extremely satisfactory for a tropical country. In the villages a soundly built small cottage is the norm, the walls being of wattle and daub and the roof plaited with coconut leaves.

In the principal cities housing conditions require considerable improvement. The main evil is overcrowding. Rents also tend to be high especially in Colombo. An extensive programme of housing, especially in the slum areas, has been prepared by the Colombo Municipality. It is hoped that the new houses will not only be made available at cheaper rates to the working classes but that they will also have more room and better ventilation than the existing ones.

Houses on plantations vary greatly. The traditional type is the long-range consisting of a row of small rooms the minimum size of each being 10' x 12'. The front verandah is usually used to give a little additional accommodation and the walls are generally of stone or cement. Improvements have recently taken place in the direction of semi-detached cottages, but they have been held up owing to the shortage of building materials resulting from the war. Other additions that have been proposed and in some cases carried out are the provision of additional rooms and a kitchen. Sanitation is generally good and there are excellent water-borne services on some estates. The

following figures are taken from returns furnished to the Commissioner of Labour :

Line Accommodation	1943	1944	1945
(i) Number of estates having non-overcrowded lines	459	425	363
Slightly (10 per cent. or below) overcrowded	87	42	37
Overcrowded (over 10 per cent.) lines	71	49	46
(ii) Number of line rooms inspected	84,227	29,598	83,485
Number up to Government requirements	70,529	68,447	68,737
Number not up to Government requirements	13,698	11,151	14,748

Wherever a house is provided by the employer, it is usually rent-free, especially in the case of immigrant labourers. The Wages Boards Ordinance has however permitted the deduction from wages with the consent of the worker of rent not exceeding 6 per cent. of the capital outlay.

Government workers, especially in the Public Works Department and the Railway, are often provided with housing accommodation. The number of such houses being extremely small, they are usually allocated to those whose presence at the workshops at all hours of the day or night is essential. The accommodation is generally of the range type, and is either rent-free or entails a small monetary deduction from wages.

### Public Health and Medical Assistance

Colombo has an adequate sewerage system but only 39 out of 130 towns have pipe-borne water supplies. A survey of 8,322 villages made in 1938 disclosed that only 73, mostly in the up-country, had pipe-borne supplies. It is true to say the rest of the Island depends on wells, springs, rivers, streams and tanks. The water closet is rare and the bucket latrine is generally used in the towns and the pit latrine in the villages. On the preventive side the Director of Medical and Sanitary Services' efforts are mainly concentrated in preventing the spread of diseases like malaria and hookworm which tend to sap the vitality of the people and diminish the economic life of the worker.

In 1945 there were 145 general hospitals (including 21 rural hospitals) with 11,000 beds and 13 specialist hospitals with 4,000 beds. On the estates there were in the same year 97 hospitals with 2,300 beds.



In addition, the Medical Department ran 250 central dispensaries, 188 branch dispensaries, and 427 visiting stations. It is also estimated that about 720 estate dispensaries served the needs of the estate population.

Those earning less than Rs. 50 a month obtain free treatment in hospitals, dispensaries or clinics. Those with incomes above Rs. 50 per month can obtain treatment subject to the following charges :—

At dispensaries—Income ranging from Rs. 600	
to Rs. 1,199 per annum	.. 50 cts. per visit.
Income ranging from Rs. 1,200 to Rs. 2,400	
per annum	.. Re. 1 per visit.
Income above Rs. 2,400 per annum	.. Rs. 2 per visit.
Indoor treatment—Income more than Rs. 83.33	
per month	.. 50 cts. per day.
Income more than Rs. 50 per month but not	
more than Rs. 83.33 per month	.. 30 cts. per day.

The Medical Department also makes special provision for those suffering from Tuberculosis, Venereal Diseases and Leprosy. There is also a modest school medical service. In 1945, 54,800 children were examined and 34,700 defects were corrected.

Vast strides have been made in the field of maternity and child welfare in recent years. In 1945 the Government maintained 35 maternity homes and the Local Authorities 12. The State also maintains a midwifery service of 800 midwives, and in 1945 about half the total number of births were cared for by Government midwives. In the same year there were 503 Health Centres which were attended by 176,000 expectant mothers, 155,000 infants and 49,000 pre-school children. Two services of considerable importance in connexion with the care of children, especially of the working class are the provision of a free mid-day meal for school children by the Department of Education, and the issue of free milk to children by the Food Department. Free mid-day meals are compulsory during term time in all Sinhalese and Tamil schools. In 1945 free meals were given to 486,000 at a cost of 5½ million rupees. In 1945 it cost the Government 3 million rupees to issue free milk to 200,000 children of school-going age. The Medical Department also provides an emergency service during epidemics. In addition to providing drugs and treatment, it supplies medical comforts such as malted milk, barley, etc.

Under section 12 of the Medical Wants Ordinance, Chapter 176, it is the duty of the Superintendent of every estate

- (a) to maintain the lines of his estate and their vicinity in a fair sanitary condition ;
- (b) to obtain medical treatment and attendance for sick labourers;
- (c) to supply every female labourer giving birth to a child, with sufficient food and lodging for one month after the birth of such child ;
- (d) to see that all children under the age of one year resident upon the estate receive proper care and nourishment.

Rulés made under the Medical Wants Ordinance prescribe minimum conditions to which estate hospitals, dispensaries and latrine accommodation must conform. A bed is required to be provided for each patient and the minimum floor space for each bed in ordinary wards is prescribed as 60 sq. ft. and 90 sq. ft. in wards for infectious and dirty cases ; the cubic space not being less than 900 and 1,200 ft. respectively per bed. The rules also provide that the employer shall secure proper dwelling accommodation for his labour force, sufficient clearing around the lines, and proper drainage to the satisfaction of the Director of Medical and Sanitary Services. Housing accommodation is also regularly inspected by officers of the Medical Department.

In view of the existence of a State Medical Service, most private employers are not called upon to provide medical assistance to their employees. Some employers nevertheless pay doctors' fees and the cost of medicines, and others provide free medical attention through private medical practitioners.

### **Education and Welfare**

Primary education is legally compulsory, and in 1944 there were 2,455 vernacular schools. Most of the schools in the Island can be classified into two categories—Government Schools and Assisted Schools. Expenditure on education has also increased considerably in recent years having risen from Rs. 12 million in 1931 to Rs. 24 million in 1945. As has been mentioned earlier attendance at school is very unsatisfactory and it is feared that the economic situation of both plantation and industrial workers is so difficult that children who should be at school are often employed in order to increase the family earnings.

As a result of a decision in the State Council, Government has recently launched a scheme of free education. It is hoped that this measure will tend to give those who are now employed a measure of

education until they are 16 years old. There were in 1945, 951 registered schools on estates with a total attendance of 46,253. The onus of establishing schools and providing teachers falls on the employer but the inauguration of free education will in the near future convert most estate schools into Government schools.

Adult education is conspicuous by its absence, and accounts largely for the difficulties encountered by the workers in negotiations with their employers. It has also given rise to the presence of outsiders, as trade union leaders and office bearers. It is not very desirable that the workers' view-point should be represented by the professional negotiator but in the present state of affairs this is inevitable. Until the workers' organizations are in a position to throw up educated leaders from among the working class, outsiders will continue to have a hand in trade unions.

Very little vocational education has been provided by Government. The only Polytechnic is the Technical College, which gives courses of instruction in accountancy, engineering, art and other commercial subjects. There has also been little co-ordination between the education authorities and those entrusted with the task of finding employment. It would appear that the correct solution to this problem would be the gearing of the educational system to the employment needs of the country. There are a number of industrial units run by the Department of Commerce and Industries for training persons in carpentry, weaving, etc. Agricultural education is given in the School of Agriculture, Peradeniya, and in the several practical farm schools throughout the Island.

Very little has been done in the field of labour welfare. Legislation has, however, provided certain amenities for workers on plantations. In addition to requirements which are provided for by legislation, there were in 1945, 671 creches on estates. The Factory Ordinance is on the Statute Book but has not been proclaimed. In the industrial field creches for children of working-class women have been provided in certain towns by voluntary social service organisation which have also provided workmen's rests, etc. An innovation resulting from the war has been the establishment of canteens where wholesome food is available to the workers. Officers have recently been trained in England in welfare work, and it is likely that before long emphasis will be placed on this aspect of improving the condition of the workers.

## Social Security

The absence in Ceylon of social security schemes of the kind found in highly industrialised countries is easily explained by the social context. The population being predominantly rural, the sense of family obligation has up to now been comparatively high, with the result that State intervention has been less necessary here than in other industrialised societies. Since the beginning of this century, however, the family tie has tended to disintegrate to some extent, in the move from the villages to the towns and to the estates, with the result that destitution, especially, in the urban areas, has to be relieved by organised charity both private and public.

The basic social service apart from provision made by the State for health and education is the system of charitable allowances administered by Revenue officers. The allowance consists of a minimum of Rs. 5 per month and a maximum of Rs. 10 a month, and is payable to the sick, the aged, the infirm, the physically and mentally defective widows with dependent children and orphans. Since 1939, however, the Poor Law Ordinance has been in operation in three municipal areas—Colombo, Kandy and Galle and has replaced the scheme of assistance by Revenue Officers in these three areas. The functions of a Poor Law Authority under the Ordinance are similar to those of an English Poor Law Authority.

The State also provides casual relief in sudden emergencies. This consists of cash payments or the supply of food to those rendered destitute by fire, cyclone, accident or similar cause. Provision also exists for the payment of grants to poor persons to rebuild houses destroyed or damaged through similar causes.

Provision is also made for relieving distress resulting from widespread floods, failure of crops, epidemics and other exceptional causes. The annual expenditure on relieving widespread distress has varied considerably. It reached the highwater mark of Rs. 8 million in 1935. Relief takes the form of cash grants or the supply of free food. Work relief has however been the normal method of relieving widespread distress, due to failure of crops. Relief during epidemics is given either in cash or kind and the Medical Department also supplies protective foods such as malted milk, etc.

In addition to assistance given by the State, voluntary agencies also play some part in relieving distress. In addition to those receiving

grants from the Central Government there are a host of other agencies, religious and secular, but most of their work has tended to be unsystematic and unco-ordinated. These agencies consist mainly of those distributing outdoor relief to the poor, those engaged in social work and those providing institutional treatment. The finances of most agencies are, however, meagre and public support has also dwindled.

The relief of unemployment has at no time assumed serious proportions. When unemployment occurred in 1931 it was first met by the granting of doles to about 500 persons. This proved unsatisfactory and relief works were commenced by local authorities with subsidies from the Central Government. In 1936 the local authorities withdrew and the Central Government continued the granting of relief.

Workmen's Compensation is secured for most classes of workmen by imposing the liability on the employer. The employer can however insure himself with a licensed Insurance Company. Employers of women workers are also obliged to pay maternity benefits to women workers who fulfil certain prescribed conditions as to employment, notice of confinement, etc.

In 1945, the Ceylon Government appointed a Commission to inquire into and report upon, (1) the adequacy of the existing social assistance and allied services, including the scheme for workmen's compensation and maternity benefits, (2) the question of introducing Social Insurance Schemes for providing all any of the following, namely old-age pension, relief during sickness or prolonged disability, relief in cases of unemployment, pensions on retirement from work, and pensions or other relief to widows and orphans. It is likely that the recommendations of this Commission will lead to the introduction of insurance schemes for the employed section of the population.

### **Impact of War on Labour Conditions**

The commencement of the war in the Far East necessarily upset the equilibrium of the local employment market. As a result of vast Imperial expenditure, large numbers found paid employment for the first time. It is estimated that some 200,000 persons were employed by the Services including those who were mobilised for the forces. In fact an acute labour shortage was experienced in Ceylon for the first time.

Two difficulties have been created by this large-scale employment. Most of this labour was diverted from existing civilian employment,

or from agricultural pursuits but a part had never been employed before. The urgent requirements of the Services also necessitated higher rates of wages being paid. There is therefore likely to be a reaction on this account when such persons seek peace time employment. In order to mitigate the competition between service requirements and civilian requirements, the Services Standing Wages Board was established in 1943 to co-ordinate the wage-rates paid by Government, private employers and the Services. Although the Board's activities were mainly centred on the fixing of wages for service employees, so that the service requirements had priority, yet they helped to stabilize wages and eliminate competition to some extent.

The second factor is the tremendous increase in the cost of living, (Colombo working class Index) has risen from 132 in December 1941 to 221 in September 1945. This is mainly due to the Island's dependence for its food on imports. This rise has forced the workers to seek increases in wages in order to meet the increased cost of living.

Since the cessation of hostilities, efforts have been made to absorb those thrown out of employment into civilian employment either under Government or under private employers. The absorption has been neither rapid nor smooth, but there are yet no visible signs of large scale unemployment resulting from the curtailment of war-time activities. This is probably due to the maintenance, at least partly, of the prevailing prices for tea and coconuts and the large demand for agricultural products. Once there is a drop in these prices, large-scale unemployment will undoubtedly be inevitable.



# LABOUR IN BURMA

## Summary

A country of 261,610 square miles, inhabited by a population estimated in 1940 at about 16.8 millions and with vast but undeveloped agricultural and mineral resources, Burma occupies an important place in South-East Asia. She has a predominantly agricultural economy, no less than 71 per cent. of her people living on the land. Her main problem is that of all colonial countries striving towards independence and industrialisation; it is complicated by the dearth of industrial labour which has led to large-scale immigration from neighbouring India.

Burma owes her economic importance to her exportable surpluses of rice, petroleum and timber. An adequate development of these and other resources could be undertaken only with the help of non-Burmese capital, direction and labour; till now, the capital and direction came mostly from Great Britain; and labour almost entirely from India. The dependence of Burma on Indian labour is evidenced by the fact that out of her 1931 population of 14.7 millions, one million were Indians mostly engaged in agriculture, factories and the docks. As regards agriculture, the main feature has been over-heavy indebtedness which has led to large-scale dispossession of the cultivating-owner by the foreign money-lender.

Even before the Japanese invasion, political and economic affairs in Burma were heading to a crisis. An agreement was reached prior to the war on the question of Indian immigration, and the war-time evacuation of some half a million Indians has further eased the situation temporarily; and a series of agrarian laws were adopted to protect the agriculturist. But the insistent need of the country today is for speedy reconstruction measures, which in their turn might necessitate the import of further non-Burmese capital, entrepreneurs and labour.

However, Reconstruction, in order to be effective, can be undertaken only if political controversies are settled and attention can be diverted to economic factors. The proposals made in the

British White Paper of 1945 have not found general acceptance in Burma and the British Government have now (January 1947) invited General Aung San and other representatives to London for consultations. On the outcome of these consultations will depend Burma's immediate political and economic future.

### General—Social and Economic Conditions

Burma's geographical isolation and consequent individuality furnishes the keynote to her economic and political position. Shut off from her two big neighbours, India and China, by mountain-barriers considered for long to be impenetrable, Burma has developed her own distinctive way of life and work. The rugged and unfriendly coastline has added to her national aloofness. But World War II has forced Burma into the lime-light. The opening of the Burma Road to China and the night mare interlude of the Japanese occupation are events still fresh in the popular mind.

With an area of 261,610 square miles, Burma occupies the best part of the Indo-Chinese peninsula. Long rivers running from north to south divide the country into natural regions, provide means of communication in the rural interior and render the alluvial soil of the southern plains a sure source of income to the Burman, while the rugged and mountainous North contains rich deposits of minerals. Her petroleum output of 1 million tons is exceeded in the mainland of Asia only by Iran and Iraq. The largest producer of lead, silver and manganese in the East, Burma outstripped China recently in the production of tungsten also. She has enormous deposits of tin, and her resources in low-grade iron-ore are potentially rich. Coal is the only major requisite of industrialisation lacking in Burma. Central Burma, being dry, produces cotton, beans, oil-seeds, lac, tung-oil, sugar, tobacco, sesamum and chillies, whereas the South abounds in rice. The Irrawaddy delta has been described as one vast and monotonous plain of rice-fields interspersed by a network of tidal-creeks.

Like southern Bengal and the Bombay Malabar Coast, Burma has a monsoon climate with three seasons—the dry-cold, the hot, and the rainy. The advent and the departure of the rains are marked by violent storms. The annual rainfall in the Coastal regions of Arakan and Tenasserim ranges between 200 and 250 inches; in Rangoon

and the Irrawaddy Delta it averages 100 inches ; in the dry zone in Central Burma it is never more than 30 inches. The temperature varies correspondingly. In Central Burma, cut off from all moderating maritime influence, the temperature goes up to 1,000 in summer and falls to 600 in winter. The coastal regions enjoy a more equable climate.

The Burmese form two-thirds of the whole population of Burma, estimated in 1940 at about 16.8 millions. The Shans and Karens are the next in numerical importance. Among immigrants, the Chinese and the Indians take the major share. Life in Burma, at least till the last war, was not particularly strenuous. An average agriculturist in Upper Burma used to own about 15 acres of land, a pair of bullocks and a house and garden. Women supplement men's earnings, and, though there are very few rich people in Burma or perhaps because of it, there is no evidence of the stark naked want which is so characteristic a feature of Chinese and Indian villages. There is, in fact, greater economic democracy in Burma than there is either in China or India. Most Burmans are agriculturists living in villages, but very often not on their own land. There is no caste system and the Burmans freely mingle with immigrants.

Women occupy a high place in Burmese society. By law and custom they have always enjoyed equal rights with men. Most of the petty trade is in their hands, but they prefer the domesticities of husband and home to the vicissitudes of an independent career. There is reasonable freedom in marriage, which is more a social contract than an affair of religion. Women do not adopt their husband's names nor do they wear wedding-rings. Divorce is not difficult but uncommon and widow re-marriage is not frowned upon.

Burma is predominantly agricultural; nearly 71 per cent. of the country's people make a living out of land or forests. The area occupied for cultivation in 1940 was 21½ million acres, of which 18 million acres were cropped that year, rice alone covering more than 12 million acres. Rotation of crops, mixed cropping and double-cropping are found in Upper Burma, where agriculture stands broad-based on a fairly stable economy owing to the variety of crops grown—millet, cotton, sesamum, maize, peanuts and beans. This self-sufficient economy—reinforced by cottage industries—insures the North Burman against the seasonal vagaries of the overseas price of rice. But Lower Burma, with its abundant rainfall, is almost entirely monopolised by

rice. Such preponderance of primary products in the different national economies of South-East Asia accounts for the custom-bound, hand-to-mouth existence of the majority of people in this region. The primary producer in this segment of Asia is also handicapped by a lamentable lack of elasticity of supply, a fact which places him at a tremendous disadvantage in relation to the ultra-modern secondary and tertiary producers of the industrialised West. The handicap is partly inevitable inasmuch as the manufacture of a motor-car entails fundamentally different processes from those entailed in growing a bushel of grain. But it is retrievable to a considerable extent by the industrialisation of these countries and by increasing the efficiency of agricultural production.

During the decade 1930-40 Burma, Siam and Indo-China exported annually on the average 6.3 million tons of rice, milled and in husk, Burma's share alone being 3.5 million tons. During 1933-34 she reached a record figure in rice-export—3.779 million tons. It is thus seen how heavy is Burma's dependence on rice. But the immediate prospects of increasing this exportable surplus are not very bright. Of the 12.5 million acres under rice, 10 million acres are in Lower Burma, one of the most consistently productive agricultural regions in the whole world. There is not much of culturable waste left, except the Hukawing Valley in North Burma which is malarial. Expensive river embankments or irrigation and drainage works, therefore, remain the only method of increasing the cultivated area. And with a population of 17 millions showing signs of further growth, not much more than 3.5 million tons will be left for export, unless import of rice is resorted to or the yield per acre is increased by the use of cheap fertilisers and other methods. The latest figures are as follow :

Year	Acreage	Yield in tons	Exportable surplus
1930-39	12,841,000	5,950,000	3,550,000
1939-40	12,854,000	5,176,000	3,200,000

The prices obtained in 1939 were the highest for the decade 1930-1940 ; from Rs. 185 for 100 baskets (one basket=46 lbs.) in January 1939, it rose to Rs. 275 per 100 baskets in October of the same year. At the same time, though the number of acres cultivated went up by 13,000, the yield fell by 774,000 tons—an indication that fertility had fallen, since with the tempting prices, more of marginal land had to be cultivated.

India with her 35 million tons of rice grown on 80 million acres meets her deficit of 1 million tons by import from Burma. The demand is subject to the vagaries of seasonal rainfall which has a determining influence on the Indian rice crop. Apart from this dependence of the rice industry on the Indian import market, rice production in Burma owes a great deal to Indian labour, initiative and enterprise. About 99 per cent. of the export trade of Burma rice was till the interruption occasioned by the last war, in the hands of foreign merchants, mainly Indian. The Indian merchants had a respectable share in the internal trade also. It has been estimated that Indian merchants handled well over one-half of the entire Burmese rice crop in the years immediately preceding the second World War.

Nevertheless the lessons of the Indian famine of 1944-46 have now gone so deep home that India is not likely to continue for long her dependence on Burma rice. Apart from the better farming methods at present taught in India, the great hydro-electric and irrigation projects now being worked out there, will lead to the reclamation, for the cultivation of rice and other foodstuffs, of vast areas now regarded as waste land, and it is estimated that, within a decade after the completion of these major projects, India will cease to be an importer of rice.

There are other reasons too why Burmese economy should not depend unduly on rice in the future. The experiences of the last 'thirties, when her rice trade was severely hit, have already sounded the warning. The drive for self-sufficiency in food materials then relentlessly followed by most of the European countries reduced considerably the demand for rice from Burma. The rubber slump in Ceylon and Malaya went to reinforce that tendency. Indonesia's purchasing power was substantially reduced when she lost her sugar trade and this in turn has recoiled on Burma. In spite of the increased demand from the United States and the West Indies, therefore, the prospects of expanding Burma's rice trade are not too bright.

Though less rich in soil-fertility, Upper Burma enjoys a steadier economy, less influenced by international fluctuations in prices and wages, because of the variegated nature of her crops and her cottage industries. This part of Burma may be said to have a mixed economy, and hence the agriculturist is not obliged to keep all his eggs in one basket. A typical Upper Burman peasant would possess a limited acreage of early sesamum, an equivalent acreage of late sesamum, modest holdings of cotton and peanuts and a little 'tonpin' which yields toddy-

sugar. Sesamum in Burma is second in importance only to rice. In 1936-37 the cultivation of legumes covered 1.1 million acres, of peanuts 700,000 acres, and of cotton 515,612 acres (95% of the cotton is exported; Japan was the leading customer in the pre-war years. Ground-nuts were introduced into Burma in 1905 and the entire trade is in the hands of Chinese brokers). The acreages devoted to these subsidiary crops are subject to variations in the yearly price of rice, and they function as an economic buffer between the North Burma and the oscillations in the world price of paddy.

Upper Burma and the hill tracts are the home of the miscellaneous agricultural produce of Burma—tea in the Shan States, in the Thandaung hills near Toungoo and in Tawng Peng; oranges in Hesipaw and Lawkasak; lac and tung oil in the Shan States; and rubber on the Tenasserim coast. Sugar production is of comparatively recent origin. The British-owned Mogang and the Indian-owned Zeyawade sugar factories produced 14,099 tons of sugar in 1936. London consumes all the beans and tobacco spared from Burma.

Burma is no more free than other predominantly agricultural countries from the crushing burden of agricultural debt; and as in other countries similarly circumstanced, it is the peasant farmer and more particularly the farmer going in for '*petite culture*' who is the greatest sufferer. Persistence in antiquated methods of cultivation, inability owing to their isolation to obtain the best prices for whatever they produce, general thriftlessness combined with a love of display; and the prevailing tendency to make things easy—all these account for the perpetual indebtedness of Burmese farmers. The South Indian Chettiers may be said to be the financiers of Burmese agriculture.

Naturally enough, Burma's export trade consists of agricultural and extractive products. Wide fluctuations corresponding to the variations in the price of rice are easily discernible. On the average, Burma had in the immediate pre-war period a favourable yearly trade balance of Rs. 100 millions. Trade relations with India are of primary importance to Burma. Normally, 60 per cent. of her exports go to India—petrol, kerosene, timber and rice, but 60 per cent. of Burma's exports account only for 7 per cent. of India's imports.

Most of the internal retail trade is carried on by Burmese women. Indian itinerant traders visit bazars with their glass-ware, crockery, cloth and toys. Practically all trade in foreign products is monopolised by Indian, Chinese and European firms, and no Burmese owns any big



banking, insurance, shipping, manufacturing or import concern in the city of Rangoon.

### Political Background

The first British annexations in Burma took place in 1824, and for administrative purposes the annexed parts were in the beginning treated as a part of Bengal. The connection with India thus begun was continued till Burma's separation from India in 1937. The first parts of Burma to come under British rule were Arakan and Tenasserim; in 1852 Lower Burma was taken over, and by 1885 Upper Burma also came under British rule. In 1897 Burma was placed under a Lieutenant-Governor and a Council was set up to help him in the administration. The agitation carried on by the Indian National Congress for self-government did not for long produce any strong repercussions in Burma, where political consciousness was not so developed as in India; but the statement made in the House of Commons by Mr. Montagu in August 1917 promising eventual grant of responsible self-government to India, imparted considerable stimulus to dormant Burmese political aspirations. When, however, Burma came to be excluded from the Indian Reforms Act of 1919, the tempo of political agitation became considerably accelerated. After prolonged discussions, the political future of the country was referred to a special Burma Reforms Committee which in 1922 recommended that all the essentials of the Indian Reforms Act of 1919 should be applied to Burma also, and this brought Burma into line with the other British Indian provinces. Burma then became a Governor's province, with an Executive Council and Ministers. Under the franchise adopted, the rural electorate was estimated at about 2 million and the urban at about 100,000. Women were given the franchise right from the start, in view of the fact that they always had enjoyed a high status in Burma. The Legislative Council consisted of 103 members, of which 80 were elected and the others nominated. In the years that followed, the most dominant political issue was the question whether Burma should be separated from India or not. Burmese opinion was fairly evenly divided on the subject, but the Simon Commission which reported in 1929 expressed the view that a favourable time had come to break the union

between India and Burma 'which does not rest on common interests'. This vexed issue was finally settled when Burma was constitutionally separated from India with effect from 1st April 1937, on which date the Government of Burma Act, 1935, came into force. The Burmese legislature as constituted under the Act consists of a Senate with 36 members and a House of Representatives with 132 members. Politically, Burma is divided into Upper Burma (including the Shan States, the Kachin and Chin Hills) and Lower Burma. The Shan States are administered by the Chiefs of the States, subject to the supervision of the Commissioner of the Federated Shan States.

Under the Act of 1935, Burma may be said to be administered under three forms of government—parliamentary in Burma proper, autocratic and federated in the Shan States, and bureaucratic in certain backward tribal areas classed as 'excluded'. Burma is now under the Secretary of State for Burma (since the separation, the Secretary of State for India has also been the Secretary of State for Burma), while the Governor-General of India has ceased to have any responsibility in Burma. Though invested with the outward habiliments of a parliamentary system of Government, the considerable reserve powers accorded to the Governor, the great influence wielded by the British officials and commercial interests, and the political and economic backwardness of the Burmans, all tend to make for concentration of authority in the official classes under the tutelage of the British and to weaken the forces working for democracy.

### Population and Occupational Distribution

The total population of Burma at the census of 1931 was 14,667,146. There were 9,092,214 Burmans, 1,037,406 Shans, 1,367,673 Karens, 153,345 Kachins, 348,994 Chins, 534,985 Arakanese and Yanbye, 336,728 Talaings and 138,739 Palaungs. There was also a large alien population of 193,594 Chinese and 1,017,825 Indians, while the Europeans and Anglo-Indian population numbered 30,441 and Indo-Burmans 182,166. The 1931 population of 14.7 millions registered an increase of 11 per cent. on the 1921 figure of 13.2 million; in the decade 1911-1921 the corresponding increase was 9.1 per cent. The average number of persons per square mile rose from 57 in 1921

to 63 in 1931. The decade also witnessed a phenomenal influx of people from the rural parts to the city of Rangoon, where population density rose to 5,200 per square mile in 1931 from 4,489 in 1921. The most populous district was Rangoon and the least, the hill district of Arakan with a density of 11 persons per square mile. The six Northern and the twentyeight Southern Shan States (federated since 1922, they are not States enjoying the same status as States in India, but are an integral part of British Burma) with a total area of 57,816 square miles, are inhabited by a scant population of 1.5 million. To the South of the Shan States are the three Karenni States with an area of 4,519 square miles and a population of 58,761.

Burma has made little leeway in industrialisation and the population is preponderantly agricultural. In 1931, agriculture and allied occupations like fishing, hunting, lumbering, forestry, stock-raising, collecting lac, etc., accounted for over 70 per cent. of the people. The following table indicates the numerical strength (nearest to a thousand) and the variation in the percentage (to the total) of each occupational category in the decade 1921-31 :

	No. Occupied 1931 (000's)	Percentage of the total	
		1921	1931
Pasture and Agriculture	4,439 }	71.1	69.6
Fishing and Hunting	77 }		
Minerals	42 }	0.4	0.6
Textiles	285 }	7.1	10.7
Other Industries	501 }		
Transport	276 }	2.8	3.6
Trade	618 }	8.5	9.0
Professions	207 }	2.4	3.2
Public Administration	53 }	1.1	1.2
Living on Income	8 }	0.1	0.1
Domestic Service	45 }	0.8	0.7
Unproductive	25 }	0.6	0.4
Miscellaneous	57 }	5.2	0.9

About 4.5 million persons were engaged in agricultural occupations in 1931. Agriculture includes peasant farmers, tenant cultivators, rent-receiving landlords, estate agents and managers of private owners and government, rent-collectors, growers of special crops like fruits and vegetables for marketing and agricultural labourers. Of the 4.5 millions over 1.5 millions are agricultural labourers, a little less than 1.3 millions peasant proprietors and cultivating owners, and about three-quarters of a million tenant-cultivators. These account for 71.7 per cent. of the population.

Among the industrial occupations that give employment to the people, textiles (including handloom industry) form the most important group ; the cotton (ginning, pressing, cleaning, spinning, sizing and weaving) and silk industries alone, employ 235,444 and 46,000 people respectively. Next in importance comes the group 'other Industries,' including among others industries manufacturing food products (160,300) followed closely by the wood-processing industry (137,500). The remaining industries in this group in the order of importance are making of clothing and toilet articles (82,300) mining (metallic and non-metallic minerals, 41,916), metal industries (23,851), ceramics (21,411), manufacture of chemical products (21,071), building (14,400), construction of locomotives and other means of transport (7,200), furniture making (1,000) and dressing of hides and skins (380).

In addition there is a miscellaneous group of industries employing 35,200 persons, which includes printing, engraving, book-binding, manufacture of musical instruments, clocks, watches, and scientific instruments; and making of jewellery and ornaments.

The transport industry employs 275,500 persons in its various branches, waterways, railways and internal highways. Trade and commerce give employment to 618,200 people. Of these 13,200 are engaged in banking, credit, exchange and insurance management, a branch of commerce in which the immigrant Indian population has a preponderant share ; about 11,000 in tobacco dealing ; 8,100 in the sale of furniture and 3,300 in the toilet and clothing trade.

There are 259,300 in Public Administration and the liberal professions and arts, and 44,800 in domestic service ; 8,200 persons live on income derived from property and 25,100 are beggars, vagrants, etc.

*Industrial Labour.*—Purely industrial labour in Burma may be classified under the main heads : (a) labour employed in factories which come under the Factories Act, and (b) labour employed in Mines.

*Factory Labour.*—The size of the factory population, compared to the size and resources of the country, is very small. Unlike India, which registered considerably accelerated industrial progress in the years following the First World War, Burmese industries have remained almost stationary during this period of great opportunities. While the country had 1,073 factories in 1932, by 1,940 it had increased the number of its factories to 1,088 only and this lack of industrial expansion finds itself duly reflected in the almost stationary figure of the factory population which remained at about 90,000 during the period. The most im-

portant factory industry is rice milling, and next in importance come timber-milling and petroleum refining (those employed in extraction work in the oil-fields are classed under mining labour). These three industries account between them for roughly two-thirds of the factory labour. Rice mills, some 600 odd in number, employ about 44,900 workers, timber mills about 10,350 and petroleum refining about 8,200. The two remaining industries of some importance are the manufacture of matches, with about 1,400 workers and sugar refineries with about 1,390 workers; all the other industries together—textile factories (only small quantities of cotton are turned into finished goods in the country), hosiery works, oil mills, tanning and making of leather goods, furniture-making, etc.,—between them employ in the neighbourhood of 30,000 workers. Of the 1,000 odd factories of the country, almost one-seventh are European-owned and they employ about one-half of the factory workers. Of the remaining, the large majority are owned by Indians and Chinese, and the Burmese share is the smallest. The average factory is small, employing less than a hundred workers, and the labour employed, mostly Indian and Burman, is generally unskilled in character. According to the Report on the working of the Burmese Factory Act in 1940, there were in that year 1,088 factories, employing an aggregate of 89,383 workers; of these 966 were perennial factories employing 84,184 workers and 61 were seasonal factories employing 5,199 workers. The sex and age distribution in 1940 was as follows: male workers—76,556; women workers—11,770; adolescents—937; and children—120.

The table below gives the factory statistics for the years 1935-1940:

Factory Statistics, 1935-1940

Year	No of factories	Perennial	Seasonal	Total No. of Workers	Workers		Women	Adolescents	Children	No. of Inspections
					Perennial	Seasonal				
1935	1,013	914	51	90,322	..	..	11,924	638	88	730
1936	1,035	933	52	89,230	..	..	11,447	867	95	411
1937	1,048	932	54	87,652	82,220	5,432	11,577	714	85	217
1938	1,077	965	54	86,383	81,718	4,665	12,017	564	94	786
1939	1,086	974	57	87,946	83,040	4,906	11,709	1,038	94	918
1940	1,088	966	61	89,383	84,184	5,199	11,770	939	120	757

*Mining Labour*—Burma's deficiency in coal and iron is compensated by a wide variety of other mineral products—petroleum, kerosene, silver, lead, tungsten, tin, lignite, copper, precious stones, limestone and clay. Though the oil and mining enterprises are operated almost exclusively by Europeans, they provide ample employment opportunities

for Indian and Burmese labour and some of the largest concentrations of workers are in mining areas—Yenangyaung and Chauk in the Irrawaddy oil-fields, the Namtu-Baldwin silver-lead mines in the Northern Shan States, and the Mawchi mines in Karenni. Altogether, in 1931, the mining industry furnished employment to about 42,000 workers. Oil extraction is the biggest mining industry; of the total value of all minerals exported from Burma in 1936 amounting to Rs. 225 million, about Rs. 190 million or roughly three-fourths came from mineral oil brought down from Upper Burma by pipe-line and shipped in tankers to India. The largest oil concern is the Burmah Oil Company which, with 19,095 workers in its oil-fields, in addition to those in its refineries, is the largest single employer of labour in the country, the company pays out yearly about Rs. 55 millions in wages to its workers. The other mineral industries—silver, lead, tungsten, tin, copper, precious stones, etc., combined employ less labour than the oil industry; their output is comparatively small and several of them are worked to capacity only at times of high prices. As against an average of 200 million imperial gallons of kerosene and gasoline refined yearly in Burma, the country's annual output of other minerals is very limited.

### **Working Conditions, Wages and Hours.**

Until the latter half of the 19th century subsistence agriculture was the rule in Burma and there was no distinct class of agricultural wage-earners. In the years following the opening up of the Suez Canal, however, large tracts of land were rapidly reclaimed in Lower Burma and this led to an increasing demand for agricultural labour which was met partly by the import of labour from Upper Burma, but largely by immigrant labour from India. To-day agriculture in Lower Burma is almost entirely commercialised and specialised. More than nine-tenths of the cultivable land is devoted to the production of rice, most of which is exported; large-scale farming is the rule and the differentiation between the landowner, the tenant and the agricultural wage-earner is complete. Immigrant labourers from India constitute a considerable fraction of the labour force and the immigration statistics reveal markedly seasonal trends. Between September and March hundreds of Indian labourers enter Burma to help in the growing and harvesting of rice and the number of Indians arriving at the port of Rangoon generally exceeds the



departures. In March the tide turns and between March and September more Indians leave Burma than those entering it.

The first operation of the agricultural year is the construction and repair of *Kazins*, i. e., bunds surrounding holdings, and so adjusting them as to make the best use of the water supply. This work is usually performed by Indian coolies on piece-work basis. Then comes the ploughing of the land ; the ploughmen are generally hired for a period of three to four months. The seed is sown by the ploughmen in nurseries (*pyogin*), and the seedlings are dug up and transplanted by different gangs of labourers paid at piece-rates. After transplantation there is usually a lull in agricultural operations until the crop ripens, but as soon as the paddy is ready for harvest gangs of coolies are again hired to do the harvesting. Reaping is done generally by Indians engaged at piece-rates and the threshing by Burmans hired by the month. By the 'thirties the commercialisation of agriculture had advanced so far in Lower Burma that almost each one of these agricultural operations involved a separate contract.

It was rare for any one labourer to be employed on more than two kinds of work, and even the skilled labourers who found regular employment in ploughing and threshing were often employed by different owners for different operations.

Payment in kind constituted a considerable proportion of the wages of the agricultural labourers and no accurate statistics are available on which generalisations regarding the level or the trend of wages can be safely based. In the closing years of the last century and the early years of the present, the general level of agricultural wage in Lower Burma would seem to have been well above the margin of subsistence, and writing in 1931 Mr. Furnivall maintained that 'it was true until recently and may still be true that the ordinary labourers on the ordinary rate of wages was able to save money'. At least in the early years of the present century it was possible for a thrifty agricultural labourer in lower Burma, in a period of three years, to put by enough money to buy a yoke of cattle and set himself up as an independent farmer ; in addition to a fair wage, the labourer had reasonable security of tenure as it was customary for labour to be hired by the year. Wages, of course, differed from one district to another, but according to Mr. Furnivall, during this period the worker's earnings, averaged from 100 to 140 baskets of paddy a

year (1 basket=46 lbs.) in addition to free board and lodging for ten months in the year.

The position, however, has been steadily deteriorating during recent years, and more particularly after the world economic depression of the 'thirties when the price of rice fell sharply. By 1920 almost all available land in Lower Burma had been reclaimed and it was no longer possible for a thrifty agricultural labourer to rise from the ranks of landless labourer to the position of a tenant and ultimately set up as a peasant proprietor. This naturally led to a surplus of agricultural labour and keen competition for employment. With the progressive easing of the labour situation, the custom of hiring labour for the year gradually died out, and in the 'thirties it became the general practice for labourers to be hired separately for about 4 months during the ploughing season and 2 months during the harvesting season. Thus, even for the few fortunate agricultural labourers who were lucky enough to get stable employment, free boarding and lodging were available only for 6 months in the year as against a period of ten months formerly. Putting the cost of a month's board and lodging at the low figure of Rs. 5 a month, this meant a fall in real agricultural wages amounting to about Rs. 20 a year, Mr. Furnivall estimated that between 1871 and 1931 agricultural wages in Lower Burma had fallen by about 20 per cent.

With the onset of the world economic depression and the sharp fall in the price of rice in the 'thirties, the agricultural labourer's cup of misery was full. He could no longer hope eventually to end life as a peasant proprietor as no land was available for reclamation and no one would lend to a farmer in a time of sharply falling prices; farm work was difficult to secure, competition from Indian immigrants was keen and wages were falling. The agricultural economy of Lower Burma in the 'thirties was thus characterised by considerable instability and uncertainty, seething discontent in the ranks of agricultural labour, widespread dacoity and a rising current of anti-Indian feeling.

Conditions of labour in Upper Burma differ radically from those in Lower Burma. Upper Burma has been settled for a much longer period, and long before the British annexation the agricultural classes had been differentiated into landowner and tenant and an intricate code of practices had grown up to regulate their mutual relations. The little outside labour that was required was supplied by neighbours on a system of mutual help (*let-sa-alok*). Following the British annexation,

however, agriculture has been steadily commercialised, a money economy has been introduced and the transition from a system of domestic agriculture to the modern system of production for the market was hastened by the rapid spread of the cultivation of groundnuts in the years following 1906. Gradually a small class of agricultural labourers emerged, but each district area has worked out its own system of remuneration and scales of payment. The agricultural economy of Upper Burma is still dominated by the traditions which grew up under many generations of domestic agriculture.

Agricultural workers in Upper as well as Lower Burma have no regular hours of work, no regular weekly rest days and few of the other amenities enjoyed by industrial workers in modern countries. The hours of work vary according to the season and the urgency of the task and regular weekly holidays are unknown. As in the other countries of South-East Asia, in Burma the conditions of work of farm workers are at present subject to no kind of statutory regulation.

*Factory Workers.*—Accurate statistics regarding the earnings of factory workers in Burma are not available, and it is therefore difficult to generalise either, regarding the relative wages in any particular year or the long term movements of wages over a period. The annual reports on the administration of the Factories Act in Burma give, of course, some data regarding the rates of wages in different industries, but these are far from reliable, and, as the report for the year 1933 puts it, 'until legislation is passed to compel returns made out on suitable prescribed forms, it will be impossible to form any idea as to what wages are being paid in the various industries'. Figures regarding wages, wherever they occur in this section have, therefore, to be accepted with a measure of caution, as rough indications rather than as accurate data.

Wage levels in Burma are much higher than in India, and in the years before the world economic depression, labourers regularly employed in manual work in factories (viz., establishments using power-driven machinery and employing more than twenty workers) used to earn about Rs. 25 a month. The daily rate for casual labourers used to be more than 12 annas a day in Burma as against 8 annas a day in Indian provinces such as Bengal, Bihar and Orissa and parts of the Central Provinces. In the smaller rice mills the pay of the mill-hands varied from Rs. 18 to Rs. 40 per month, the most usual pay of a mill-hand being about Rs. 25 a month. The coolie earned about Rs. 22-8-0 a month, while women coolies were paid about Rs. 15 a month. The

wage rates did not differ substantially in sawmills. Semi-skilled and skilled labourer in sawmills earned from Rs. 20 to Rs. 60 according to efficiency and coolies about Rs. 22-8-0 a month ; sawdust boys, about 16 to 17 years old, earned about Rs. 15.

In the years following 1931, wages fell sharply as a result of the world economic depression as can be seen from the following estimates regarding the minimum monthly earnings of different categories of workers in selected industries.

*Minimum Monthly Earnings of Factory Workers*

<i>Category of workers</i>		
<i>Rice Mills—</i>		
	1932	1933
	Rs. A.	Rs. A.
Engine Drivers	24 0	21 0
Fire and Oilmen	18 0	14 0
Beltmen	19 0	17 0
Stone-dressers	20 0	14 8
Millhands	15 0	15 0
Coolies	13 8	9 0
<i>General Engineering—</i>		
Mechanics	30 0	30 0
Fitters and Turners	25 0	15 0
Blacksmiths	37 8	30 0
Carpenters	45 0	30 0
<i>Miscellaneous—</i>		
Pressmen	15 0	12 0
Compositors	18 0	20 0
Masons	37 0	33 0

Between 1934 and 1937 average rates continued to be stationary at the low levels reached during 1933 and there is no reason to believe that the wages of factory workers in Burma had recovered to pre-depression levels on the eve of the outbreak of the Second World War.

Hours of work, daily rest intervals and weekly rest days in factories using power and employing more than twenty workers are regulated in Burma by statute. In the early 'thirties, the great majority of Burma's factories worked a 60-hour week, but on 1-1-1935, a new Factories Act, which reduced the hours of work in all factories other than seasonal factories to 54 in the week, came into force. Thus in 1940, workers in most factories in Burma worked a 54-hour week. The rice mills and sawmills, which together accounted for nearly 80 per cent. of Burma's 1,027 factories during 1940, were regarded as non-seasonal factories for the purpose of the Factories Act and the maximum weekly hours of work for adult workers in such factories were limited to 54. The rice mills, however, worked a continuous

12-hour shift, with each worker entitled to rest-intervals amounting to a total of 3 hours ; this made it extremely difficult for the factory inspectorate to detect evasion of the law. During the busy season it was not uncommon for the rice mills to work day and night with two shifts of 12 hours each, and in such cases it is not unlikely that in a number of the smaller factories the maximum daily hours of work fixed by law were being evaded. Continuous process factories used to work three 8-hour shifts a day, while in the engineering works a much shorter working week amounting in some cases to only 44 hours a week was not uncommon. Workers in seasonal factories in Burma were allowed by law to work a 60-hour week and the cotton ginning mills, sugar factories and factories in the plantations, which accounted for the great majority of the factories in the seasonal group, used to work upto the maximum limit allowed by law.

In addition to regulating hours of work in factories, legislation in Burma requires dangerous machinery to be fenced and prescribes certain minimum standards of sanitation for all establishments using power-driven machinery and employing more than twenty workers. But the standards of enforcement of the minimum requirements laid down by statute leave much to be desired. Thus, the Report on the administration of the Factories Act in Burma during 1934 complains : 'Generally no attempt is made to fence machinery until an Inspector comes round and points out the danger. Neglect to maintain guards and safety devices is as prevalent as ever.' There is not much reason to believe that the position in this respect has improved since 1934, and it is significant that in 1939 the bulk of the prosecutions for breaches of the provisions of the Factories Act was either for neglect of safety precautions or for irregularities with regard to hours of work.

As regards weekly rest days, the Factories Act prescribed for factory workers in Burma at least one holiday a week, but in the inter-war period regular weekly holidays were given only by the larger establishments ; among the smaller mills in the up-country areas evasion of this provision of the law was fairly widespread. Nor were the conditions under which labour had to work in the factory always conducive to the maintenance of health. In the rice mills, a considerable amount of dust was generated in the process of polishing rice and the *Report of the Working of the Indian Factories Act, 1911, in*

*Burma for the year 1933*, stated that the dust nuisance in Burmese rice mills had not been overcome and that the fact that many of the mills were working at a loss had made it difficult for the inspectorate to press for improvement. Another bad feature with regard to Burma's factories in the inter-war period was that the latrines provided for the workers were often allowed to go into a state of dilapidation, and in 1931, outside Rangoon, no latrines were connected to a public drainage system and very few latrines had septic tanks.

*Mining Labour.*—The wages of mine labourers vary with the locality and, in the early 'thirties, unskilled labourers in mines in Burma used to earn about a rupee a day. In the Southern Shan States the ordinary rates were eight annas for women slag pickers, one rupee for male surface workers and Rs. 1-4-0 for unskilled workers underground. In the Northern Shan States the mine worker earned on an average about Rs. 37-8-0 a month, while in the Tavoy and Mergui tin mines, the coolie earned Rs. 1-4-0 a day and women employed on the surface twelve annas a day. A common practice which reacted adversely on the earnings of the workers was the system of payment through contractors. Thus, in 1931, in the Bawdwin mines in the Northern Shan States, the prevailing system was to employ coolies in gangs of 15 workers and for the wages to be paid out on contract basis to the leading members of the gang. In common with the earnings of other classes of wage earners, the earnings of Burma's mine workers also fell during the early 'thirties as a result of the world-wide economic depression as can be seen from the following figures :

*Average Daily Earnings of Workers in Mines in Burma*

		Miners	Skilled Labour	Unskilled Labour	Women
<i>Underground Work</i>					
Lead Mines: December,	1929	1 12 0	2 11 9	1 5 6	..
" " " "	1936	2 1 0	1 13 6	1 9 6	..
Tin Mines: December,	1929	1 9 0	1 4 6	1 8 0	1 1 0
" " " "	1936	1 0 0	1 1 0	0 14 3	..
<i>Open Workings :</i>					
Lead Mines: December,	1929	..	..	1 0 0	..
" " " "	1936	..	..	1 4 9	..
Tin Mines December,	1929	1 6 3	1 11 6	1 5 0	0 13 6
" " " "	1936	1 2 0	1 0 0	1 0 3	0 9 3
<i>Surface Work :</i>					
Lead Mines December,	1929	..	3 13 0	1 5 3	..
" " " "	1936	..	2 15 3	1 2 6	..
Tin Mines December,	1929	..	2 9 6	1 3 0	0 15 3
" " " "	1936	..	1 4 3	0 12 9	0 8 0



As regards hours of work, rest intervals and weekly holidays of mine workers, it may be pointed out that in pre-war Burma these were subject to no statutory regulation in Burma's two most important mining areas—*viz.*, the lead and silver mines at Bawdwin and Namtu and the oilfields at Yenangyaung. The drilling of oilwells was completely exempted from the provisions of the Mines Act, and the sections of the Mines and Factories Acts dealing with weekly holidays and the limitation of the weekly and daily hours of work were not applied to the Shan States where the Bawdwin and Namtu mines were situated. Reporting in 1931, the Royal Commission on Labour in India recommended that these exemptions should be removed and also added that the protection of law in regard to rest days, hours, health and safety measures should be extended to workers in oilfields. But, five years after the Commission had reported, these proposals were still 'under consideration.' In the oilfields, the normal working hours in 1931 were 56 a week, worked either in 8-hour shifts or in five 10-hour days with a short Saturday. All workers except those employed in continuous processes enjoyed a weekly rest day. The average hours worked per week in Burma's important lead and tin mines in 1936 are given below :

*Average Hours worked per week during the year 1936*

		Lead Mines	Tin Mines
<i>Underground :</i>	Miners	47	47
	Skilled Labour	47	48
	Unskilled Labour	47	46
<i>Open Workings :</i>	Miners	..	47
	Skilled Labour	..	50
	Unskilled Labour	47	49
	Women	..	43
<i>Surface :</i>	Skilled Labour	53	48
	Unskilled Labour	53	48
	Women	..	46

*Miscellaneous Wage Earners.*—Among the numerous other class of wage earners in Burma in the inter-war period, the most important were the thousands of workers engaged in inland navigation and the Rangoon dockyard workers. The bulk of the organised steamer traffic was in the hands of the Irrawady Flotilla Company which engaged most of its workers in the lower categories indirectly through intermediaries. The lower ratings were supplied by the *serang* or driver who was responsible for their recruitment and remuneration. Normally

the *serang* also provided a joint mess for his men and deducted for this a fixed amount from each man's monthly wages; this naturally led to considerable exploitation of the worker. In the early 'thirties the wages of *lascars*, paid through the *serang*, ranged round Rs. 25-8-0 a month. Their hours of work were irregular depending upon various factors such as tides, fogs and duration of trips, but averaged roughly about nine a day. Besides the organised steamship companies, the large numbers of cargo boats which plied on Burma's internal waterways also employed a considerable number of wage-earners. During the busy season, which lasts from January to March, the *tindals* were usually paid Rs. 25 and the crew Rs. 18 per mensem and for the rest of the year Rs. 20 and Rs. 14 respectively.

In the Rangoon dockyards most of the work of loading and unloading ships is done by labourers employed by shipping companies or stevedores. Here again the main feature in the 'thirties was the absence of direct employment. The shipping companies or stevedores invariably employed foremen, known variously as *tindals*, *mukaddams* or *sardars*, and each brought one or more gangs of dock labourers who worked under his supervision and received their wages from him. It was also a recognised practice for the foreman to increase his earnings by employing fewer men in the gang than the number specified and paid for by the company. The daily earnings of dock labourers are higher in Rangoon than in any of the Indian ports and varied in 1930 between Rs. 1-8-0 and 1-12-0. But the monthly earnings, however, were much smaller than is suggested by these figures. The main problem of the dockyard labourer in the 'thirties, when Burma's rice exports were fluctuating violently, was to secure steady employment. It was stated in evidence before the Royal Commission on Labour in India by the representative of stevedoring firms in Rangoon that in the busy season from February to April the men worked seven days a week, but over the year the average would not be more than 12 or 13 days in the month. The position should have become worse during subsequent years owing to the further fall in Burma's exports of rice and the increasing competition of the Burman labourer for work in the dockyards. The hours of work of dock labourers are not regulated by statute, and long hours are worked, particularly in the busy season. The stevedore gang coolies usually work in shifts and in 1931 their daily hours of work amounted to 10 or 11 with no specific break for rest. Sunday was, however, generally observed as a rest day.

*Living Conditions.*—It is difficult to get a complete picture of the living conditions of labourers in Burma on the eve of the outbreak of the Second World War, but two facts stand out clearly. Wages in Burma were much higher than in India and the average Burmese worker maintained a much higher standard of life than the Indian. The Burmese worker usually lived on a better balanced diet, including meat, vegetables and fish, and suffered less from malnutrition. The conditions in which Burma's industrial labour was housed, however, left much to be desired. A few of the larger industrial concerns, such as the Burma Corporation and the Burma Oil Company, provided excellent housing for a considerable proportion of their employees; but the great majority of the workers in factories were miserably housed, the housing problem being particularly acute in Rangoon with its considerable floating population and steady influx of immigrants. Most of Rangoon's large industrial population lived in buildings listed in the municipal registers as lodging houses. In these it was not unusual to find tenements  $12\frac{1}{2}' \times 40'$  occupied by as many as 40 or 50 people. Families often lived in these lodgings with only a partition made of gunnybags to ensure privacy, while enterprising contractor often hired rooms at a fixed rent and crammed into each of these two sets of tenants, one set occupying it during the day and the other at night. More than a decade before the outbreak of World War II in September 1939 a special committee appointed by the Government of Burma to enquire into the public health of Rangoon had made a number of recommendations, including one that all employers should be made responsible for the housing of their permanent workers, but in the decade following 1930 the housing situation in Rangoon showed little improvement.

### **Labour Legislation and Labour Policy.**

Until 1937, Burma was part of British India and had, therefore, no independent labour code and all the labour laws enacted by the Government of India automatically applied to Burma in the same manner as they applied to any other Indian province. When on 1-4-1937 Burma was finally separated from India, most of the British Indian laws then in force in Burma, including all the laws dealing with labour, were, by the Burma (Adaptation of Laws) Order, 1937, suitably amended and incorporated in Burma's legislative code. This adaptation of British Indian laws to the new circumstances created

by the separation of Burma from India was completed in 1940 with the enactment of the Burma Laws (Adaptation) Act, 1940 (Burma Act XXVII of 1940), by the Burma legislature. Between April 1937 and 1942, when Burma was overrun by the Japanese forces, no important labour law was placed on the Statute Book. The main labour laws at present in force in Burma are, therefore, the Children (Pledging of Labour) Act (India Act II of 1933); the Dock Labourers Act (India Act XIX of 1934); the Factories Act (India Act XXV of 1934); the Mines Act (India Act IV of 1923); the Payment of Wages Act (India Act IV of 1936); the Workmen's Compensation Act (India Act VIII of 1923); the Trade Unions Act (India Act XVI of 1926); and the Trade Disputes Act (India Act VII of 1929).

*The Children Pledging of Labour Act* was enacted in 1933, on the recommendation of the Royal Commission on Labour in India, to stop the practice of the pledging of the labour of young children by their parents to employers. It declares null and void any agreement to pledge the labour of a child by the parent or guardian, in return for any payment or benefit from the employer. A child is defined as a person below 15 years of age.

*The Dock Labourers Act, 1934*, aims mainly at ensuring the safety of persons working in dockyards and contains an extensive code of regulations providing *inter alia* for the safe maintenance of approaches to wharves, docks or quays, the rendering of first aid in cases of accidents and testing all lifting machinery.

*The Factories Act of 1934* amended and consolidated earlier Factories Acts enacted in 1911 and 1922, the latter giving effect to the International Labour Conventions on hours of work, minimum age for admission of children to employment and night work of women and young persons. Working conditions in factories in Burma today are governed by the provisions of the Factories Act of 1934. The application of the Act is, however, restricted to factories using mechanical power and employing more than twenty persons. The Act limits the hours of work of adults in non-seasonal factories, i.e., factories which work for more than 180 days in the year, to 54 in the week and 10 a day. Seasonal factories exclusively engaged in specified manufacturing processes, such as cotton ginning and the decortication of groundnuts, and notified factories working not more than 180 days in the year, are allowed to work longer hours, viz.,

60 hours a week, and in the case of male adult workers 11 hours a day. Where, however, for technical reasons the work has to be continuous, the adult worker in a non-seasonal factory is allowed to work for 56 hours in any week. The Act further grants to workers a rest interval after five hours of continuous work, overtime pay at  $1\frac{1}{4}$  times the normal rate and a weekly holiday. As regards children, those under 12 years of age may not be employed in factories and those above 12 years of age but below 15 may work for only 5 hours a day. Young persons or adolescents above 15 but under 17 years of age may be employed as adult workers only when certified as fit to be so employed by a recognised medical authority. For both women and children night work is prohibited; and the total spread-over of work during any day is limited to 13 hours in the case of adults, and  $7\frac{1}{2}$  hours in the case of children. Other sections of the Act provide for the adequate fencing of machinery, adequate means of escape in case of fire, proper sanitary arrangements and a sufficient supply of drinking water, artificial humidification of factory premises to protect workers from excessive heat and the construction of shelters in factory premises for the use of workers during periods of rest. Finally, the Act empowers the Governor of Burma to make rules prohibiting or restricting the employment of women, adolescents or children in hazardous operations.

*The Mines Act of 1923* was amended in 1928 and again in 1935. In its present form, it limits the hours of work of adults in mines to 54 in the week or 10 a day over-ground and 9 hours a day underground, and provides for a weekly day of rest; children below the age of 15 may not be employed in mines, while 'young persons' between 15 and 17 may be employed in a mine as adult workers only when certified as fit for being so employed by recognised medical authorities. The Act further requires the manager or agent in charge of a mine to maintain a record of the more serious accidents, keep adequate supplies of drinking water and provide proper sanitary arrangements in mines. The oilfields of Burma, however, are totally exempt from the provisions of the Mines Act.

*The Payment of Wages Act*, which came into force in March 1937, applied in the first instance to factories and railways and covered all employees paid less than Rs. 200 per month. No wage period is to exceed one month, and wages have to be paid within a period of 7 days after the end of the wage period in establishments employing

less than 1,000 workers, and 10 days in the case of larger establishments. It declares illegal all deductions from the monthly wages of a worker other than those mentioned in the Act and prescribes a procedure for regulating the imposition of fines on workers.

*The Workmen's Compensation Act*, originally enacted in 1923, has since then been substantially amended. In Burma today it applies to manual workers who are employed in factories, mines, railways, ports, the building trade and a number of other occupations specified in the Act, whose monthly earnings do not exceed Rs. 300. A workman who sustains an injury or contracts a disease arising out of and in the course of his employment is entitled to compensation from his employer after a waiting period of seven days. The amount of compensation is related to the wage of the worker and the nature of the injury sustained, and the Act prescribes definite scales of compensation for workers in the different wage groups for temporary disablement, permanent total disablement and death.

*The Trade Unions Act of 1926* is a permissive Act and confers certain rights on trade unions which are willing to get themselves registered under the Act. Unions registered under the Act are required to furnish audited accounts annually and to include a majority of workers in their executives. In return the Act confers on them some degree of immunity from civil suits and criminal prosecutions.

*The Trade Disputes Act of 1929* empowers the Governor of Burma to refer 'any matters appearing to be connected with or relevant to an existing or apprehended trade dispute to a court of enquiry, or to refer the dispute to a board of conciliation'. Action on these lines is obligatory on Government when both the parties to a dispute ask for it; in other cases, it is optional. The Government has, however, no power to enforce the decisions of the conciliation board. In addition, the Act also declares illegal general strikes and lockouts and prohibits strikes and lockouts in public utility enterprises without fourteen days' previous notice.

In addition to these enactments dealing primarily with labour, certain general enactments also contain in a few cases provisions for the protection of certain classes of workers. In the *Railways Act of 1890*, as amended in 1930, provision is made for regulating the hours of work of railway workers. The hours of work of railway servants whose work is not intermittent are limited to 60 a week and



those of intermittent workers to 84. Again, for railway workers whose work is not intermittent, a compulsory weekly rest day is provided. The Ports Act of 1908, as amended in 1931, prescribes a minimum age of 12 for children and prohibits the employment of children below 12 in the handling of goods in any port. Similarly, the employment of young persons under 18 years of age in ships of Burman and foreign registry is regulated by the Burma Merchant Shipping Act of 1923 which prohibits the employment in merchant ships of children below 14 years of age and provides that no young person below 18 years of age shall be engaged or carried to sea to work as trimmer or stoker.

Though between 1937 and 1942 there were no substantial additions to Burma's labour code, a number of Bills dealing with labour came up for discussion from time to time in the Burma legislature, and these may well be taken to indicate the trend which labour legislation is likely to follow in Burma in the immediate future. These Bills were almost all introduced by private members: they sought either to improve the working conditions of Burma's shop-workers and cargo boat crews—two classes of wage-earners now unprotected by any kind of labour legislation, or to prescribe a method for the peaceful solution of industrial disputes, or to promote the interests of labour in general. For instance, the Burma Shops Bill, introduced in the Burma House of Representatives on 15-2-1939, provided *inter alia* for an 8-hour day in shops and other types of commercial establishments and 52 holidays in the year with pay to shop workers. It further sought to prohibit completely the employment in shops of children below 12 years of age and to restrict the hours of work of children between 12 and 15 years to 7 per day. Similarly, two Bills introduced in 1939 and 1940 respectively in the Burma House of Representatives sought to eliminate abuses in connection with the employment of crew in Burma's innumerable cargo boats, but both failed to reach the statute book. The latter of these, viz., the Paddy Boat Crew Wages Bill, 1940, sought to make it obligatory for owners of cargo boats engaged in the transport of paddy to maintain registers recording the names and conditions of service of their workers and to pay *tindals* a minimum wage of Rs. 20 a month and *khalsees* a minimum wage of Rs. 15 per month during the busy season and proportionate payments during the slack season. It further prohibited the exaction of free services or illegal

gratification by the boat-owner or his agents and forbade unauthorised deductions.

Attempts were also made during this period to break new ground in the field of trade disputes legislation. The Burma Trade Disputes Conciliation Bill, 1939, provided for the appointment of a Commissioner of Labour, Labour Officers and Conciliators for the prevention and peaceful settlement of trade disputes. A later bill, entitled the Burma Industrial Disputes Settlement Bill, 1941, was modelled on the Bombay Industrial Disputes Act of 1938 and sought to set up machinery for the conciliation and arbitration of Industrial disputes.

Among the Bills of general interest to all groups of wage-earners which were sought to be placed on Burma's statute book between 1937 and 1942, the Burma Labour Protection Bill introduced in the House of Representatives in February 1939 and the Labour Provident Fund and Gratuity Bill introduced in the Burma Senate in April 1941 deserve notice. The former sought to set up a machinery for the fixing of minimum wages, to assume to workers the right of association, and to grant to workers on full pay, a weekly holiday of one-and-a-half days, 10 days' leave in the year for sickness and 40 days in a year for festivals. The latter sought to give workers a certain measure of social security in their old age by making it obligatory for workers in industrial establishments to join provident fund schemes.

*Wartime Labour Policy.*—In its earlier stages, the Second World War caused but few ripples in Burma's placid economic life, and upto the closing months of 1941 there was little attempt either to mobilise the available labour force or to divert it from peace-time to war-time production. The main reason was, of course, that Burma, unlike India, had few industries which could be harnessed to war production. The only developments during this period which directly affected Burma's wage-earners were the Burma Payment of Wages (Amendment) Ordinance and the Burma Volunteer Forces (Protection in Civil Employment) Act, 1940. The former was promulgated in December 1940, permitting deductions from the worker's wages in furtherance of war savings schemes approved by Government. In February 1941, this ordinance was replaced by the Burma Payment of Wages (Amendment) Act, 1941 (Burma Act XVI of 1941). The Burma Volunteer Forces Protection in Civil Employment) Act enacted early in 1940 sought to

protect persons joining Burma's Volunteer Forces from being discriminated against by their employers. It stipulated that no employer shall dispense with the services of an employee on the ground of the latter's membership of a voluntary force, or refuse to reinstate such an employee returning after termination of service in the volunteer forces.

The situation, however, altered radically with Japan's entry into the war in December 1941. Southern Burma came within bombing range of Japanese planes and Rangoon was bombed during Christmas 1941. Quick measures had to be taken to mobilise all the available labour and the Governor of Burma promulgated on 25-1-1942 the Burma Regulation of Wages and Labour Ordinance. The Ordinance empowered the Governor of Burma, by official notification, to constitute a Board or Boards to exercise general control over labour conditions within the areas specified in the notification. The Board might consist of not more than three members and its functions include the notification from time to time, of 'fair wages' for different types of employees in any particular company, firm or undertaking ; giving directions to employers on measures for the protection of their labour during air raids ; requiring employers, wherever necessary, to make arrangements for providing food or rations to their employees ; and directing employers, wherever the Board considered it necessary, to employ labour direct and disburse wages direct to the workers at daily rates. Finally, the Ordinance forbade strikes for the duration of the emergency. So long as the Ordinance remained in force no person was to take part or be engaged in or aid in a strike. The bombing of Rangoon disorganised the port's labour supply and, on 27-1-1942, the Governor of Burma promulgated the Port of Rangoon Labour Control Ordinance for securing an adequate supply of labour for the efficient working of the port of Rangoon ; the Controller to be appointed under the Ordinance was empowered to requisition, allocate, distribute and exercise control over labour ; to recruit and organise labour for employment by the Government ; and to prescribe, in respect of any class of labour employed in the port of Rangoon, terms of employment and conditions of labour, including hours of work, housing, safety and wages. Not much use, however, could have been made of these emergency powers, as, with the rapid advance of the Japanese forces, the Burmese Government left Rangoon soon after and by May 1942 was working in Simla.

## Burma and the I. L. O.

Prior to 1 April, 1937, Burma formed part of India, and the fourteen International Labour Conventions Nos. 1, 2, 4, 6, 11, 14, 15, 16, 18, 19, 21, 22, 27, and 41, which India had ratified till then, remain even now applicable to Burma. At the 23rd session of the International Labour Conference (1937), the Indian Workers' Delegate raised the question of the status of Burma in the I. L. O. after 1 April, 1937, and elicited the following statement from the British Government's Delegate to that Conference:—

“(1) Burma, as part of India, has up-to-date participated in such International Labour Conventions as India has ratified up to 1 April 1937.

(2) As from 1 April 1937, as a result of the operation of the Government of India Act, Burma became separated from India. Henceforth, as the position of Burma in relation to International Labour Conventions is that of an overseas territory of His Majesty with a status similar to that of Southern Rhodesia, she is, within the meaning of Article 421 of the Treaty of Versailles, fully self-governing.

(3) Although it is agreed that Burma is bound to continue to observe and apply all the International Labour Conventions in which she previously participated as part of India, nevertheless her participation therein must henceforth be separated from that of India.

(4) It is accordingly notified that (a) Burma will continue to observe the International Labour Conventions referred to in paragraph 1 above in accordance with their provisions, and (b) His Majesty's Government in the United Kingdom have the right to give notice of the termination of the application of any of those Conventions to Burma separately in accordance with the provisions of the Articles in such Conventions providing for termination.

(5) As regards the participation of Burma in the future activities of the International Labour Organisation, the Government of Burma and His Majesty's Government in the United Kingdom have agreed that such participation should be secured through the medium of His Majesty's Government in the United Kingdom, which will be empowered to accept on behalf of and with the consent of the Government of Burma the obligations of future International Labour Conventions.”

Under the new political set-up that is expected to be established

in Burma soon, it is hoped that Burma will be able to become an independent member of the I.L.O.

### Trade Unionism.

Trade unionism has made but little progress in Burma, the main reasons being the high preponderance of agricultural workers as compared to factory labour and the existence of markedly different racial groups—Burmans, Tamils, Telugus, Oriyas, etc., in the make-up of the composite labour population of the country. The following table shows the number of registered trade unions in Burma during the years 1933 to 1938.

Year	Number of Trade Unions
1933	1
1934	2
1935	5
1936	8
1937	9
1938	10

The development of the Burmese trade union movement has been slow even by eastern standards. This slow growth stands out in marked contrast to the rapid strides in organisational development registered by the Indian Trade unions in the two decades between the two World Wars. Even the few trade unions that exist in Burma do not hold out much promise of acquiring effective strength in the immediate future, as membership is very low and leadership standards are perhaps even lower. The Burma Motor Drivers Association seems to have been the first successful experiment in industrial combination on an organised basis; started in 1933, with a membership of 64, its membership went up to 117 the next year. It was only by 1934 that the Burmese railway workers could organise themselves into a union for purposes of collective bargaining, and even when they did finally form the Railway Employees Union, its membership stood at the disappointing figure of 84. Though expansion has been slow, trade unionism has been percolating to other categories of labour, chiefly dock-workers. The year 1935 opened with two trade unions with a membership of 1,245, but at the close of the year the number of unions had increased to five and the membership to 2,546. Latterly, the Government of Burma was interesting itself in the growth and orderly progress of the trade union movement; in 1934, it issued a directive advocating effective

democratisation of the management of unions and suggesting all-round expansion of union activities, notably in such spheres as the starting of co-operative credit and supply societies, savings banks, death benefit schemes and physical culture groups. Another aspect of unionism which engaged the attention of Government was the disinclination shown by many of the unions to get themselves registered. As against ten registered unions in 1938, there were a large number of unregistered unions about whose membership and financial position, however, no authoritative information was available. The disinclination to register in spite of Government's efforts is surprising in view of the fact that political franchise was conferred on members of registered unions by the Government of Burma Act of 1935. The inertia and apathy characteristic of trade unionism in Burma are ascribable in the final analysis to the low educational standards obtaining among the workers ; if organisational activities and a strong political consciousness are to be developed in Burmese labour, an essential first step should undoubtedly be an appreciable raising of the educational standards of the workers. With even the men-workers so backward and lacking in initiative in union activities, it is not surprising that the movement has left women workers almost untouched, even though there are a number of women working as coolies and their wages and conditions of life and work leave much to be desired. Another factor which accounts for women workers not coming to the fore is that a large percentage of them are home-workers engaged in small cottage industries like basket-making and mat-weaving. A general review would show that trade unionism in Burma has to make up considerable leeway before it can even approximate to the level reached by the Indian trade union movement. The absence, with the exception of Rangoon and one or two of the bigger oil-fields, of industrial areas with large concentrations of workers, the poverty of leadership, and low educational standards—all tend to stand in the way of adequate organisational development of Burmese workers, a tendency which has been accentuated by the difficulties of the war and occupation periods.

*Social Insurance and Assistance.*—In common with the general run of Asian countries, Burma has yet to make a start in the field of social insurance and assistance. When it is remembered that even in India, which is far ahead of Burma in social legislation, there is little social insurance activity, the backwardness of Burma need occasion



no surprise. It was only after the publication of the Beveridge report that the social conscience in India and Asian countries generally was awakened to the need for assuring some measure of protection against unemployment, invalidity, old age and death ; it may, therefore, be hoped that when Burma settles down to real reconstruction work in the post-war years, a start might be made for providing different forms of social insurance for industrial workers. As it is what little activity there is in this sphere in Burma is confined, apart from workmen's compensation (treated separately), to the provision of some degree of medical relief to the general population and a few measures for ensuring sanitation and conservation of health. The most pressing need is the provision of maternity benefit for women workers in factories and oilfields, but since the number of women factory workers is not large (in 1939, out of a total of some 88,000 factory worker, 11,709 were women), the question has not yet begun to engage the attention that it deserves.

*Workmen's Compensation.*—Compensation for accidents and occupational diseases arising out of, or, in the course of employment, was almost the only form of social security available to the great majority of industrial workers in Burma on the eve of the outbreak of the Second World War in September 1939. Compensation under the provisions of the Workmen's Compensation Act was available to all manual workers whose monthly earnings did not exceed Rs. 300 and who were employed in factories, mines, railways, ports, building trades and a number of other occupations specified in the Act. Of the 1,588 returns submitted for the year 1939 by establishments which were required to report under the provisions of the Act, 2 were from railways, 1,020 from factories, 411 from mines, 2 from tramways, 1 from the Port Commission, 2 from fire brigades, 28 from oil-milling establishments, 31 from rubber estates, 64 from establishments (other than factories) for the generation of electric power and 27 from other miscellaneous establishments. These figures would seem to suggest that compensation for accidents arising in the course of employment was available mainly to workers in the larger industrial establishments, plantations and mines. The most numerous wage-earning group in the country, *viz.*, the class of agricultural wage-earners, remained outside the scope of the Workmen's Compensation Act.

Only the most simple types of industrial processes, such as rice milling, cotton ginning, oil pressing and lumbering, were carried out

in Burma's industrial establishments and the number of accidents and the amounts of compensation paid, therefore, tended to remain low, for a country of Burma's size and population. The possibility of fairly widespread evasion of the provisions of law, at least in the smaller industrial establishments, cannot altogether be ruled out, particularly in view of the fact that even in British India where the machinery for the enforcement of law has been better perfected, evasion of the Workmen's Compensation Act is still widely practised. Details regarding the nature of accidents in and the amounts of compensation paid during 1935, 1936, 1938 and 1939, by the establishments in Burma which submitted the relevant details under the provisions of the Workmen's Compensation Act are summarised in the table below:

Year	No. of Accidents			Total amount of compensation paid in rupees	Average compensation	
	Deaths	Permanent disablement	Temporary disablement		per worker employed, in rupees	per person injured or killed in rupees
1935	40	95	2,018	91,122	0.66	42
1936	37	124	2,096	99,164	0.68	44
1938	53	152	2,175	121,206	0.84	51
1939	52	191	2,956	134,082	0.87	42

### Co-operation.

The following table will give an idea of the progress of Co-operation in Burma :—

Year	No of societies	Central banks	Agricultural societies	Non-Agricultural societies	Other societies	Membership
1933	2,335	—	—	—	—	76,662
1934	2,165	11	1,462	145	547	75,592
1935	2,138	11	1,453	150	524	75,494
1936	2,149	10	1,479	164	496	77,377

The number of societies and membership as revealed might appear impressive, but the statistical position furnishes no real index of the efficacy of the co-operative movement. In fact, during the 'thirties, co-operation in Burma was registering progressive deterioration. The annual reports on the working of the co-operative societies show that the movement had long since failed to serve its essential purpose. Reckless borrowing and over-financing were features of almost all societies and their education value for propaganda and instruction

work was small. Matters came to a crisis in 1935 when in view of the extremely unsatisfactory finances of a large number of societies, a drastic scheme of reconstruction was undertaken. The main features of the scheme were the closing down of weak societies, reconstruction of those that could benefit by such treatment, scaling down of debts, and provision of a system of re-payment of debt by regular instalments spread over a number of years, the initiation of a rent-purchase system by which members who had lost mortgaged lands were enabled to regain possession under a scheme of instalment payments and the writing off of irrecoverable debts. The remedial measures produced on the whole satisfactory results. The report for 1935-36 on the working of the co-operative societies in Burma records that the net results of the reconstruction scheme were the revival of many societies under liquidation, the release of many members from chronic indebtedness, the conversion of a high percentage of doubtful loans without security into adequately covered debts and the general rehabilitation of the movement on sound lines. The report lists two features in particular as the besetting evils of the co-operative movement in Burma: first, the tendency to look upon societies as primarily money-lending institutions, and secondly, the dishonesty and corruption prevailing in the management of societies. In the years 1936 to 1941, the task begun in 1935 of re-establishing the co-operative movement on sound lines was continued and by a general tightening of the inspection machinery the working of societies was considerably improved, the good start thus made, however, must have been set at naught by the confusion of the war years. The chances are that, while the framework of co-operation remained, reconstruction measures will have to be undertaken once again to set the movement on a sound working basis.

### Immigration.

Because of her vast size and largely undeveloped resources and the indifference shown by the Burmese themselves, Burma has for long been a land of opportunity for foreigners. The problems of immigration in Burma are in the main connected with the nationals of her neighbours, India and China. Burma has also attracted a limited number of British businessmen, and in the course of decades a small community of Anglo-Burmans and Anglo-Indians has grown round them. The British, however, are not immigrants in the true sense

of the term, as very few of them settle down in the country and their business operations are carried on at levels which do not, for the present at least, compete with the business interests of the Burmese. The same cannot be predicated of the activities of the Indian and Chinese immigrants. Both because of their numbers and of the nature of their business and other activities, the problems occasioned by Indian and Chinese immigration affect Burmese interests more closely and immediately and therefore furnish grounds for differences of opinion, and in the case of Indians at times even for active antagonism. In 1931, out of Burma's total population of about 14.6 million, about one million were Indians, 182,000 were Indo-Burmans, 193,000 were Chinese, and 30,000 were Europeans, Anglo-Indians, and Anglo-Burmans.

*Chinese Immigration.*—The South Western Frontier of China touches the North East Frontier of Upper Burma and from very ancient times small trickles of Chinese emigrants have percolated into Burma from Yunnan, a process rendered easy since both the Burmese and the Chinese come from a common Mongol stock and their culture and religion have much in common. There is no record of Chinese coming in large numbers to Burma by sea before 1800. In the 19th century, Chinese traders from Fukien began to arrive by sea and to settle down in and about Rangoon. The 1911 census records 122,000 Chinese in Burma, and by the 1931 census their numbers had increased to 193,594. The number of Chinese in Burma in 1942 was estimated to be about 225,000. Though the number of Chinese residents increased by about 30 per cent. in the period 1921-31 (and shows a tendency to further increase) as against an increase in the same period of Indian residents by 15 per cent., the Burmese do not seem to be as much exercised about Chinese immigration as about Indian immigration. This is ascribable first, to the kinship between the Burmans and the Chinese; secondly, to the fact that the number of immigrant Indians is four times the number of immigrant Chinese; and thirdly, to the greater challenge to Burma's internal economy constituted by large-scale Indian immigration. According to the 1931 census, 41 per cent. of the Chinese population in Burma were traders and merchants, 38 per cent. artisans of various kinds, 9 per cent. semi-skilled workers, 5 per cent. clerical workers, and 7 per cent. miscellaneous workers. The Chinese do not go in, in any large numbers, for industrial and agricultural labour and therefore the

Burmese apparently have no fear that the Chinese will underbid Burmese workers in the labour market.

*Indian Immigration.*—The British conquered Burma largely with the help of Indian soldiers. After the initial phase of conquest, Indians went in considerable numbers to Burma to man the administrative machinery set up by the British as, until recent years the easy-going Burmese did not manifest any marked desire for this kind of work. Indians with the necessary qualifications were in demand for employment in various capacities in government offices and in commercial firms, and since the Chinese were precluded from competing in this field owing to their ignorance of English, the accepted official language, Indians had a practical monopoly of these employment openings. For much the same reasons the various professions—law, medicine, teaching and engineering—offered excellent opportunities to qualified Indians which they were not slow to make use of.

But the main problems created by Indian immigration are not those occasioned by the immigration of the educated class, who formed but a fractional part of the one million odd Indians in Burma at the time of the start of the Second World War. What the Burmese eventually came to protest against was the comparatively large yearly immigration into Burma of Indian coolly labour, mostly from the Madras Presidency, and its competition with Burmese labour when economic pressure compelled the Burmese to go in for such work.

The Indian influx into Burma came about because of the real need of under-populated and under-developed Burma for labour for the proper exploitation of her resources. A survey of the Burmese industrial scene in the 'thirties shows that the Burmese industries were largely dependent on Indian labour and that at least two-thirds of the personnel employed in factories, mines and oil-fields, railways, tramways and docks, and plantations were Indian. In nearly every branch of organised industry, Indians greatly outnumbered the Burmese and indeed all other races in Burma. In Rangoon factories, 95 per cent. of the unskilled and 70 per cent. of the skilled labour were reported to be Indian in 1928 and the proportion could not have appreciably changed till the outbreak of the war in 1939. In addition, Indians had also begun to enter the field of miscellaneous employment as rickshaw and hand-cart pullers, sampanwallas, etc. It was therefore only natural that the Burmese, when forced by economic pressure

to look for work as wage-earners in industrial and other fields, should come to regard Indian immigrant workers as unwelcome intruders.

The bulk of Indian labour in Burma is recruited from South India and consists mostly of Tamils and Telugus. In addition there are a number of Hindustanis (people from North India), Oriyas (people from Orissa) and Chittagonians (from Bengal). A special feature to note about these immigrant workers is that, while a few of them elect to make Burma their home and settle down permanently in the country, an appreciable percentage look upon Burma only as a place of temporary sojourn furnishing seasonal work and regularly return to India when their seasonal engagement terminates.

Indian workers are found in all kinds of employment in Burma and it is difficult, in the absence of reliable statistics, to estimate correctly the numbers engaged in industrial, agricultural and other categories of work. The position is rendered somewhat complex by the fact that, tempted by the existence in Rangoon of a large volume of casual work, labourers in rural areas often change occupations and resort to the city for brief spells to do whatever work that may be available at the moment. Thus the Telugus, who furnish the major part of the agricultural labour for the extensive paddy fields of Lower Burma during the sowing and harvesting seasons, regularly return to Rangoon during the slack season where they find employment as rickshaw pullers. Nevertheless, certain broad occupational preferences are clearly distinguishable: the Chittagonians, intimately associated with waterside employment, as a rule man the inland steamer services and furnish the workers needed for handling the smaller country craft engaged in paddy transport and the *sampans* which take the place of rickshaws in waterlogged areas; the Oriyas are found mostly in railway and road construction work; the Tamils and Hindustanis seek employment in factories and government offices; the Bengalis are railwaymen; and the Punjabis are ubiquitous as motor transport drivers and mechanics.

While Burma, generally speaking, provides higher wages and better standards of living for the Indian worker than even Bombay, where wages are highest in India, the conditions of work of the Indian immigrant labour still leave considerable room for improvement. Perhaps, the most outstanding difficulty that Indian workers have to face is the scarcity of regular employment and the resultant uncertainty. Unlike India, with its big perennial factory industries, Burma's principal factory industry is rice-milling, which offers employment only from



December to June. Agriculture, which engages a large volume of Indian labour, is necessarily a seasonal industry, and is slackest after June. The busy and slack seasons of rice-milling and agriculture thus overlap to a great extent, precluding the possibility of the two industries functioning in complementary fashion and providing alternating employment to the large numbers of seasonal Indian workers engaged in them. This unfortunate situation accentuates Indian competition for the limited perennial employment, that is available, and this, in turn, tends to depress wages. This tendency was particularly discernible, for instance, in dock work, in which the labour employed is preponderantly Indian. The volume of dock work available in Rangoon was limited, particularly during the depression period of the 'thirties, and for this limited work, a much larger number of Indian workers than was needed offered themselves in competition and, in consequence, the actual number of days worked in the month by each dock-worker began to show an alarming decrease. The prevailing daily work-rates for Rangoon dock labour were high, but the apparently high rates bore little relation to the actual average monthly earnings. Decasualisation of labour thus seems to be one of the prime needs of Indian labour. Another crying evil is the prevalence of the maistri system. The maistri functions as a sort of middleman between the employer and the workers and is responsible to the employer for the recruitment of labour and the disbursement of wages. Though language handicap and difficulties attendant on canvassing labour from distant parts in India and escorting them to their places of work in Burma furnish some excuse for the continued maintenance of the maistry as an intermediary, experience has shown that he had been misusing his position and by dishonest practices mulcting the workers of some part of their hard-earned wages. The maistri sees to it that the workers have no independent approach to the employer and exacts a commission initially on recruitment, and as wages are paid through him, again takes a rake-off by not giving the worker the full wages paid by the employer; further, the maistri takes good care to see that the workers he recruits remain in a kind of perpetual indebtedness through a system of advances and sharp accounting practices. Recognising these evils, the Whitley Commission had recommended the establishment of a recruiting bureau to assist employers in the recruiting of labour. There is no doubt that such direct recruitment and the adoption of a system of direct wage-payment would obviate the need for maistri

intermediaries and tend to add to the real wages of the immigrant workers.

As wages are an index to real earnings only when correlated to cost of living it is necessary to have some idea of cost of living trends in Burma and India to assess correctly whether the Indian immigrant workers gained in real wages, and, if so, how much, because of the higher wages prevalent in Burma. A study of the available statistics goes to show that, while the cost of living both in Burma and India went up during the years 1920 to 1930, the rate of increase was higher in India than in Burma. The position is clarified by the following table giving working class cost of living index figures for Rangoon and Ahmedabad for the years 1920-1930 :

*Working Class Cost of Living Index (1873-100)*

Year	Rangoon	Ahmedabad
1920	190	278
1921	210	275
1922	203	231
1923	190	228
1924	223	247
1925	197	247
1926	217	247
1927	197	225
1928	187	222
1929	180	222
1930	170	217

The figures come up only to 1930, but they furnish the general indication that Burma, in the decade following the close of the First World War, was a cheaper place to live in than India ; there is no reason to think that this situation changed in the decade 1931-1940. After the actual outbreak of war in the Far East in December 1941, the cost of living went up considerably in Burma.

Even though the Burmese gets a higher wage than the Indian worker, a study of the monthly budgets of Burmese and Indian workers' families goes to show that the Indian worker is disposed to reduce expenditure and put by something for a rainy day by saving, while the Burmese worker is inclined to over-spend and live up to his wages

or even exceed them. The following monthly budgets of Burmese and Indian workers in Namtu, a typical mining centre, refer to the opening years of the 1930's :

	<i>Burmese</i>			<i>Oriyas</i>			<i>Chittagonians</i>			<i>Gurkhas</i>		
	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.
<i>Average monthly income</i>	41	14	8	39	8	5	39	7	1	38	4	
<i>Expenditure</i>												
Food	23	10	7	16	5	5	16	14	5	17	0	10
Fuel and Lighting	2	12	8	1	11	2	1	10	4	1	9	3
Clothing	4	12	2	2	13	3	3	3	0	2	15	3
Rent	2	8	0	1	1	10	1	1	6	1	1	4
Household requisites	1	6	7	0	9	8	0	11	5	0	11	3
Miscellaneous	7	3	10	14	14	10	12	14	9	11	11	4
Total expenditure	42	5	10	37	8	2	36	7	6	35	1	3
Balance	0	7	2	2	0	3	2	15	7	3	2	9

While in respect of wages Indian workers in Burma were in a more advantageous position than their fellow-workers who remained in India, the emigrants suffered from a variety of handicaps. In the first place, the majority of them could have no settled life as their employment was mostly seasonal and in the slack season they returned to India. Secondly, while monthly earnings were high, average annual earnings tended to be low, as high earnings in the busy season were evened up by reduced earnings during the off-season. Thirdly, the emigrants did not have much of family life, as emigration, in the nature of things, tended to considerable disparity in sex ratio among the emigrants. Out of a total Indian population in Burma of 1,017,825 in 1937-38, men numbered 733,911 and women only 283,914. This abnormal sex distribution cannot but have serious repercussions on the health and morals of the group. In respect of Indian industrial labour the position is particularly serious, as the rate of 2.5 to 1 is for the whole Indian population, which includes, in addition to industrial workers, persons engaged in trade, office-work and other avocations. The Whitley Commission Report records that, in the annual average of 230,000 Indian workers entering Rangoon port between 1929 and 1939, the proportion of men to women was as high as 12 to 1. Conditions like these led to a heavy toll on life, and in 1929, the death rate for Hindu males in Rangoon was given as 25.9 per 1,000 ; a very high figure when it is remembered that over four-fifths of this population were in the age-group between 15 and 50.

Indian immigration into Burma, when it had reached such dimensions as to leave a permanent residue of over one million Indians in the country, began to create serious apprehensions in Burmese

minds. Up till 1928 or so there was very little occupational competition between the Indian immigrants and the Burmese. The latter had little liking for monotonous work in factories and docks or for hard agricultural work and, what is more, had plenty of more attractive and more remunerative employment, and so Indian immigration evoked but little criticism or resentment till the 'thirties when, according to the Whitley Commission, the economic life of Rangoon and the industrial activity of Burma generally were dependent on the labour of Indians.

But the economic blizzard of those days soon compelled the Burmese to compete for the kind of hard and less remunerative occupations which till then were being carried on by the Indians. In 1930 when Telugu dock labour in Rangoon struck work, the stevedoring firms were able to replace the strikers by Burmese labour, and unlike on previous occasions when the Telugu strikers signified readiness to resume work, serious collisions between the two groups developed. The issue could be finally settled only on the basis of a 50-50 allocation of dock-work to the Burmese and the Telugus. The Whitley Commission was in favour of suitable controls being imposed over 'assisted emigration', since men should not 'be assisted to emigrate without a guarantee of maintenance for a period of reasonable length or of repatriation'; it, however, held the view that it would be unfortunate both for India and Burma, if artificial restrictions were placed in the way of the unassisted emigration of the able-bodied or their dependants.

In the years that followed, to the Indian competition in the labour market was added another irritant caused by the activities of the Indian money-lending and land-owning classes, primarily the Chettiyars of South India. The hostility of the Burmese to the numerically much smaller Indian community living, with the exception of those in Rangoon, scattered over the countryside, found expression in large-scale anti-Indian rioting in 1938, in the course of which many Indians lost their lives as also much valuable property. The Braund Committee appointed to enquire into these riots stressed the need for the assurance of more adequate protection for Indians, urged further instruction of magistrates and police officers in the prevention and suppression of riots and expressed the view that an authoritative statement of the facts of Indian immigration and the extent of Indian penetration would go far to remove the dangers of

anti-Indian feeling and anti-Indian propaganda. Accordingly, in June 1939, the Government of Burma set up a Commission with Mr. J. Baxter as Commissioner and a Burmese and an Indian assessor to report on : (1) the volume of Indian immigration ; (2) to what extent it is seasonal and temporary and to what extent permanent; (3) in what occupations Indians are mainly employed and the extent to which they are unemployed or under-employed ; (4) whether in such employment Indians either have displaced Burmans or could be replaced by Burmans, due regard being paid to both the previous history of such occupations and their economic requirements ; and (5) whether in the light of the statistics obtained and other relevant factors any system of equating the supply of Indian unskilled labour to Burman requirements is needed.

The Baxter Commission report, submitted in 1940, was published only in July 1941. The interval was utilised by the two Governments in holding negotiations which ended in an Agreement ratified by the two Governments in July 1941. The Agreement, with minor changes based on the recommendations of the Baxter Commission, was built on two main principles : first, that Burma had, subject to the provisions of the Government of Burma Act, 1935, the right to determine the composition of her own population, and, secondly, that Indians who had wholly identified themselves with the interests of Burma should enjoy the same rights as members of the permanent population. It was recognised at the same time that in the peculiar circumstances of the two countries, their geographical proximity, their long political association, the problems arising from regulation of immigration, were of special complexity and delicacy. The main points of the agreement were:

- (1) Indians born and bred in Burma with permanent interests there could establish domicile at any time under common law ; (2) Indians establishing seven years total residence in Burma between 15 July 1932 and 15 July 1941 were to be classed as privileged immigrants with right of free re-entry and the protection of sub-section 3 of Section 44 of the Government of Burma Act ; (3) Other Indians resident in Burma were to continue to enjoy the same statutory protection until they leave Burma whereafter, on return, they become subject to the same restrictions as new immigrants ; (4) Provisions for new immigrants are : (a) all to obtain immigration permits, (b) permits were to be of two classes—'A', entitling holders

to indefinite residence and subsequent acquisition of domicile if desired and 'B', entitling holders to residence for specified periods not exceeding nine years in all, but without the right to acquire domicile, (c) 'B' permit holders could however qualify at the discretion of the Government of Burma for 'A' permits, (d) special provision was made for students and visitors, (e) all permits, except for students, to require payment of fees ; (5) The Burma Government was to establish an Immigration Board composed of Burmans, Indians and Europeans to collect evidence and advise on fixation of quotas for different classes of permits, action being taken only after consultation with the Government of India ; (6) Until the Board had reported, the Government of India was to prohibit emigration to Burma of unskilled workers, except such number required for seasonal employment in Burma as the two Governments might agree upon. The prohibition referred to in (6) above was enforced with effect from the 21 July 1941, and steps were also taken in other directions to implement the Agreement.

The Agreement was well received in Burma but Indian opinion was perturbed by the restrictions imposed and there was widespread criticism directed against almost every clause of the Agreement.

A reference may now be made to the general nature of the agrarian problem in Burma and to recent legislation on the subject. In pre-British Burma, with its self-sufficing economy, immovable property was hardly ever sold in payment of debt, and it was the produce, and not the land itself that was the moneylender's security. Rural indebtedness, therefore, was moderate in amount, and did not constitute a problem. With the introduction, during the second half of the 19th Century, of the British conceptions of law and procedure, and the development of modern communication system on land and water and of a brisk export trade, the old self-contained economy disintegrated, and subsistence farming, especially in Lower Burma, gave place to commercialised agriculture. Rural indebtedness now entered upon a fresh phase of its history, and while agricultural production certainly benefited from the change, it also led to the increasing indebtedness of the farmer. The conversion of vast areas of jungle and waste land into arable land was an expensive task which could not have been accomplished as rapidly as it was done, without the aid of external capital. Along with this need for borrowing came into being a new form of security for the loan ; for owing to the larger margin of profit from



agriculture on the one hand and the enforcement of the legal procedure for foreclosure and sale on the other agricultural land now acquired a saleable value, and private ownership and transfer of land-title now became common. It was on this security that most of the agricultural capital was raised, at rates of interest varying from 15 to 36 (or more) per cent per year. Both because of these usurious interest rates and because of the spendthrift nature of the peasant himself, non-Burmese moneylenders began, even as far back as 1880, to replace defaulting Burmese borrowers in the ownership of land. The world-wide depression of the 'thirties further accelerated the process. The resultant position is indicated in the table below, giving percentages of the lands occupied by non-agriculturist landlords, (mostly Che'tiyars) and genuine agriculturists (mostly Burmese).

*Occupancy of Agricultural Land in Burma—1938-39*  
(In percentage)

<i>Type of Occupant</i>	<i>Lower Burma</i>	<i>Upper Burma</i>	<i>All Burma</i>
Non-Agriculturists	47.7	14.2	33.6
Resident	9.1	5.9	7.4
Non-resident	38.6	8.3	2.62
Agriculturist	52.3	85.8	66.4

A striking indication of the extent to which peasant proprietorship had ceased to be the rule in Lower Burma before the war is furnished by the figures of land leased to tenants at fixed rentals. In the great majority of such leases the owner did not cultivate the land, but lived on income from rents and often also from trade or some other profession in the town. In 1939, 59 per cent. of all agricultural land in Lower Burma was leased; for Upper Burma the figure was 32 per cent., and for the country as a whole it was 49 per cent. The evil did not stop with this, as large numbers of the tenants were not agriculturists themselves, but were really sub-landlords who, though officially classified as 'agriculturists', were really non-agriculturists who in their turn rented land to yet other tenants and lived as middlemen on rents. The actual landlord, most often an absentee had little genuine interest in land or tenant as long as he secured the highest possible income with regularity. Tenants did not remain settled long; many of them moved frequently from village to village. Roughly two-fifths of the tenants changed holdings every year, and from 40 to 70 per cent. changed holdings (and many of them changed villages as well) in less than three years.

Before the Japanese war started Burmese agriculture was in a very bad way, and it was evident that the three groups which existed

concurrently in Burma—the feudal minded Burmese, the money-minded Chettiars, and the law-and-order-minded British—did not fit in exactly into the economic jig-saw puzzle. The Land and Agriculture Committee which investigated the rural situation reported in 1938-39; and the following three enactments are based on its recommendations:

*The Tenancy Act.*—The chief weaknesses of the tenancy system were: (1) exorbitant rents; (2) annual leases, with consequent insecurity of tenure; (3) inequitable leases, giving landlords undue advantages; (4) infrequent and/or inadequate remission of rents in years of bad harvest and (5) the tendency of tenants to become functionless middlemen through the leasing of their rented lands to sub-tenants. The Tenancy Act, which came into force in 1939, was designed primarily to enforce reasonable rents and to enable tenants to renew leases on fair terms. The passage of the Act produced a flood of applications for lower rents in the course of the first few weeks of operation. Local officials were relied upon to exercise individual judgment regarding what constituted a fair rent, their judgment being subject to judicial review; but the courts generally overruled their decisions, thus in effect nullifying the Act.

The position has, however, been considerably improved by a new Tenancy Act, enacted in 1946, replacing the Act of 1939. The new Act provides for the fixation of a maximum 'standard rent' payable by the tenant to the landlord, sets up machinery for the determination of standard rent in which both the landlord and the tenant will be represented and empowers the Government to fix by notification the upper and lower limits, expressed by way of percentages of the normal gross outturn, within which the standard rent shall be fixed. The Act further provides that the unpaid wages of necessary labourers employed by the tenant during the year jointly with the unpaid rent payable for the current tenancy year shall be a first charge on the produce of the tenant.

*The Land Alienation Act of 1939* provided that, with minor exceptions, land owned by agriculturists could not be sold or mortgaged to non-agriculturists. An agriculturist was defined as a person whose work on his land provided his chief source of livelihood, or who continuously supervised others who worked his land, or who had done so until physically incapacitated. Since a great part of the agricultural land in Lower Burma had by 1941 passed out of the ownership of the actual cultivator, and since the Act did not protect

agriculturists against foreclosure of mortgages already existing at the time of its passage, this was like shutting the stable door after the steed was stolen. But this Act must be considered along with the Land Purchase Act, and one of its main objects is to prevent land purchased at great cost by the Government and made over to agriculturist from passing back into the hands of the money-lender.

*Land Purchase Act of 1941.*—The Act provides for large-scale government purchase of land owned by non-agriculturists. The land in the hands of non-agriculturists in 1939 was estimated to be worth between Rs. 540 millions and Rs. 672 millions and payment of such large amount would naturally have to be made in long-term Government bonds bearing low rates of interest. The Act envisaged the re-sale of much of the land to peasants on generous terms, but also provided for the leasing of land by a government agency.

*Burma after 1941.*—The invasion, occupation and reconquest period was one of unmitigated travail for Burma. Two land campaigns and three years of air war all but destroyed the country's railways, roads and factories. In Central and Northern Burma many of the little market towns have almost disappeared. In Rangoon itself, though the main buildings escaped, there are great gaps all over the city. Public utilities were almost wiped out, and are now furnished on an improvised and precarious basis by the efforts of mixed army and civilian teams. Rangoon port has been grievously damaged and though temporary repairs have refurnished dock facilities to extent, improvisation is not enough for the imperative needs of a big commercial seaport on which the foreign trade of Burma almost exclusively depends. Land transport has been even more woefully disorganised, there is great scarcity in locomotives, freight cars are all too few, and many have been running without doors and even without sides; road transport is scanty, and maintenance organization has to be built up from nothing. River transport, pending the receipt of new craft and the raising of sunken ships, has depended on army type vessels, and lack of river transport has proved a restricting factor on the export of rice, which is grown mainly in riverine tracts. Transport, mechanical equipment, and technical staff are not, however, the only bottlenecks. Wet rice cultivation is done with cattle and buffaloes, the ravages of war and the virtual abandonment of disease control during the occupation have reduced the cattle population enormously. The entire agricultural economy has been

thrown out of gear and, in consequence, even the rich parts of the country are finding it hard to rise above a subsistence economy, while in poorer areas there is very real hardship, and considerable starvation.

These and similar privations of a physical nature respond immediately to remedial treatment; the country's social and economic wounds go deeper and are harder to cure. The war has thoroughly disorganised Burmese education, as, for well-nigh five years both Secondary and University education were practically at a standstill. A disturbing feature of the social situation is the phenomenal increase in dacoity (gang-robbery), burglary, and theft; this is much more than a social nuisance; it is a definite hindrance to recovery. In the economic field, the structure of trade and commerce, built up in fifty years of careful effort, has been destroyed, and must be rebuilt in as many months. Burma lives on her foreign trade, of which the mainstay is the export of rice, timber, and oil; and for five years she has been virtually cut off from world markets. In that time the production of rice for export all but died of inanition. Oil production was brought to a standstill by 'denial' operations. Timber extraction ceased at the evacuation, and staff, equipment, and elephant herds were dispersed.

Since the exiled Civil Government of Burma resumed the reins of administration in October 1945, considerable progress has been made with the difficult task of rehabilitation. The following resume of the main steps carried out in this sphere is taken from the address made by the Governor, Sir Reginald Hugh Dorman-Smith, on the occasion of the opening of the Burma Legislative Council on 28th February 1946. Reviewing the progress made, he said that the main lines of Government's policy in respect of agricultural rehabilitation were: (a) grant of an adequate incentive and some direct assistance to cultivators to enable them to meet the extra cost involved in reclaiming land gone out of cultivation, (b) assurance of a fair minimum price for paddy to the cultivator, (c) creation of a fund for a policy of Government-aided agricultural credit to cultivators (as against an average seasonal advance of Rs. 500,000 in the pre-war period, the new policy aims at seasonal loans to the tune of Rs. 15 millions), and (d) adoption of new tenancy legislation designed to place relations between landlord and tenant on a basis more equitable to the cultivator (according to a recent estimate, largely because of these measures Burmese rice acreage which was more than 12 millions before the war and which declined

to 6 millions in 1945, may rise to 8 millions in 1946). In the matter of supplies of diverse kinds—transport vehicles, mechanical equipment, agricultural implements, foodstuffs, cloth, yarn, soap, and the wide range of consumers' goods generally—Government's policy has been to obtain such supplies expeditiously and at the lowest prices and to ensure fair and equitable distribution, and for this purpose two supply missions are operating, one in London and one in India ; the imports up to 31st January 1946 have been estimated at 40,000 tons valued at Rs. 50 millions each month. In the sphere of trade and industry, the policy adopted has been one of partnership between Government and private firms, and over a wide range of enterprise, commercial and industrial firms are working as agents of the Government through a number of Project Boards—one for each industry—such as Timber Board, Road Transport Board, etc. This, however, is a short-term expedient ; and to deal with long-term rehabilitation a separate Planning Department has been set up. Labour has been engaging Government's special attention ; and to help Government in tackling labour problems which have been becoming increasingly difficult, the British Ministry of Labour has been requested to loan one of its experienced men to train an adequate Burman staff to man the Labour Department. But as economic rehabilitation is dependent to a great extent on political conditions, this study may close with a note on post-war political developments in Burma.

The ' liberation of Burma ' from the British yoke and the ' grant of independence ' by the Japanese, though thoroughly illusory in character, served to quicken Burmese political aspirations and to invest them with a new and undeniable sense of immediacy. Burmese Nationalist leaders and the Burma Independent Army, who had temporarily joined the Japanese, had for the nonce shaken off British Imperialism ; and when the Japanese were expelled, could hardly be induced again to don tamely the livery of subjection. The result was acute dissatisfaction and a perceptible acceleration of the tempo of political action. To understand the cross-currents of post-war Burmese politics and to evaluate the nature and strength of the different political pulls to which the country is subject, it is necessary to trace briefly the course of events through the war period to the present.

The Japanese invaded Burma early in 1942 and practically subdued the whole country by May of the same year. The various

Burmese parties reacted in different ways to the situation. The Burmese perhaps welcomed Japanese intervention in so far as it helped to free them from British domination, but certainly had no desire to instal Japan as their new master. To this group belonged Major General Aung San, who with his Burma Independent Army, first joined the Japanese and then fought against them. The Burmese Communists were, however, divided on the issue whether the Japanese should be supported even temporarily and even as a policy of expediency. One section, led by the Communist intellectual, Thakin Soe, followed the lead of the Malayan Communist party in proclaiming an anti-Fascist war, and when the Japanese overran the country, it went underground. The other, led by Thakin Than Tun, joined the Burma Independent Army of General Aung San. Later the two became reconciled, Thakin Soe still disapproving but deciding to make the best of it. The new united front was successful; Major-General Aung San, disappointed by Japanese behaviour and no doubt also impressed by the changing military situation, organized the Anti-Fascist People's Freedom League in which the Communists took an important place, Thakin Than Tun being general secretary. This group, which had at first furnished guides and assistance to the Japanese, soon joined the Allies to clear the Japanese out of the country, and as the result of an understanding arrived at between the British and Major-General Aung San, from March 1945, Major-General Aung San's army was recognised and paid as a part of the S.E.A.C. forces; and they, as also the Communists, played a big role in the guerilla resistance organised against the Japanese. With the surrender of the Japanese, the young General—he is still in his early thirties became a public hero, and soon attracted to himself many of the old political leaders and practically all of the new. By the time the Civil Government returned from Simla in October, 1945, Burma was in a fair way to become a One-Party State the Party being, Anti-Fascist People's Freedom League, supported by an Army of 10,000 men, with a highly Nationalist outlook.

Meanwhile, British policy for post-war Burma had already been outlined in a White Paper (Cmd. 66-35) published in May, 1945. Briefly, the political rehabilitation of Burma was to be divided into three stages: (1) A period of direct rule to facilitate physical and social reconstruction, in which the Governor would be assisted by a small Executive Council, and, at a stage, a nominated Legislative



Council ; (2) A return (when electoral rolls could be prepared, an election held, and other conditions permitted) to the Constitution laid down by the Act of 1935 ; and (3) Full self government for Burma proper within the British Commonwealth, under a Constitution to be drafted by representatives of the Burmese people and agreed by both parties, accompanied by agreements to enable His Majesty's Government to fulfil their continuing obligations and safeguard outstanding financial claims. At first Major-General Aung San and his supporters of the Anti-Fascist People's Freedom League (A. F. P. F. L.) declined the Governor's invitation to join the new Executive Council, unless they were given a preponderant share of the portfolios and the right to nominate the members of the new Legislative Council when formed, and failing their co-operation, the Governor had to form his council with a number of independent leaders who had never joined the A. F. P. F. L. and some others who at this juncture broke away from it. Later, the General elected to take power and see what he could make of it, and it is under this arrangement that he is holding office now (December 1946). Meanwhile, dissensions among the Communists broke out afresh. Thakin Soe, who took an ultra-left line, broke with Thakin Than Tun, who preferred caution, but both were united in denunciation of Major-General Aung San for 'throwing away a potential revolutionary situation in return for power under the 1935 constitution'. Exasperated by these repeated attacks, the A. F. P. F. L. executive in October 1946 expelled the Communists from the League, which had temporarily at least furnished a common platform for both groups, and, in consequence, Thakin Thein Pe, Communist representative on the Executive Council, also was compelled to resign his place in the Council. The first post-war elections for the Burma Legislative Council, scheduled to be held in April 1947, will be in the nature of a trial of strength between the two groups, and will show whether the Communists can make good their estimate that they control a third of the A. F. P. F. L.'s strength and whether Major-General Aung San's personal popularity or Communist exploitation of the general unrest and the latent possibilities of an already explosive situation will triumph ultimately.

Further, not to be outdone by the Communists in zeal for speeding up the pace of the country's march to freedom, the A. F. P. F. L. which holds 6 out of the 11 seats on the Executive Council of which Major-General Aung San is the Vice-President, issued early

in November 1946 a manifesto demanding that by January 31, 1947, the British Government should declare that Burma shall be free within a year ; that the present Executive Council be made a national Government, and that the coming elections (due in April) be held as elections for a Constituent Assembly ' independent of foreign participation', that is, without special representation for Europeans and Indians as provided for by the 1935 Act. Though not explicitly stated, the implication would seem to be, that failing satisfaction of these demands, the A. F. P. F. L will withdraw from the Interim Government, boycott the coming general elections and launch a country-wide struggle for independence.

The latest developments in the Burmese political situation are of a highly reassuring nature. As though in answer to the A. F. P. F. L's manifesto and the evident dissatisfaction in Burma with the Interim Government which is regarded as a sort of undesirable compromise between Burmese nationalism and British Imperialism, the British Prime Minister, in a statement made in the House of Commons on 20th December 1946, reiterated the pledge of self-government for Burma and announced, that the White Paper of 1945 would be reconsidered, that the new Constitution should be settled by Burmese nationals alone, and that, with this end in view, the forthcoming elections would be utilised, without the necessity of holding separate elections, for setting up a Constituent Assembly on the analogy of what has already been done in India. He also stated that for settling details further political consultations would be held. General Aung San and other Burmese representatives left for London for this purpose early in January 1947.

## LABOUR IN MALAYA<sup>1</sup>

### Summary

Malaya derived its world importance from the production of rubber and tin. Production of the two commodities necessitated the recruitment of large numbers of immigrant workers, with the result that in 1939 native Malays formed only 42 per cent. of the population. Chinese were almost as numerous as the natives and a large number of Indians also had migrated to Malaya. The two immigrant groups formed the major proportion of the wage-earning force, as the native Malays preferred to be small independent farmers and fishermen. The resultant mobility of the labour force prevented large-scale unemployment in depression periods; instead, immigration was reduced and many of the workers returned to their home countries. Wage fluctuations were also minimised by this mobility and by the establishment of standard rates in certain 'key' areas by the Indian Immigration Committee, an organisation for the protection of Indian workers in Malaya. Daily wages of 35 to 60 Straits Settlements cents—or 20 to 34 United States cents, converted at the pre-war par value of the Straits Settlements dollar—are representative of the pre-war level for unskilled workers on Malayan estates. Organised labour activity was meagre in Malaya, the Chinese mutual-aid societies being the only bodies performing any trade-union functions. Increased strike activity just before the war resulted in the passage of industrial dispute, trade-union, and arbitration legislation in 1940 and 1941. Social-insurance legislation was restricted to workmen's compensation. Japanese occupation of Malaya has brought unemployment and widespread consumer shortages.

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<sup>1</sup> Reprinted with the kind permission of the Bureau of Labour Statistics, U. S. Dept. of Labour, from the *Monthly Labour Review*, August, 1944.

## Economic and Background

British Malaya, before the Japanese occupation, consisted of a narrow peninsula and certain close-lying islands, situated in the Indian Ocean South-East of India, with Siam on the north and the Island of Sumatra on the south. About the same size as England, the country was made up of three political subdivisions—the four Straits Settlements (Singapore, Penang, Malacca, and Labuan), the four Federated Malay States (Perak, Selangor, Negri Sembilan, and Pahang), and the five Unfederated Malay States (Johore, Kedah, Kelantan, Perlis, and Trengganu). The Straits Settlements formed a crown colony ruled directly by a governor, while the Malay States were self-governed under native sultans with British advisers. State or executive and legislative councils existed in all the subdivisions. The unifying influence of the advisers and the executive control exercised by the Governor of the Straits Settlements resulted in uniformity of policy and legislation in the various subdivisions.

Production of rubber and tin constituted the main pre-war economic activities in Malaya and gave the country its position of importance in international markets. Malaya accounted for nearly half the world production of rubber and approximately a third of the world supply of tin ore. In addition, Singapore and Penang were lively trade centres. In comparison with the two main exports, production of other commodities was extremely small. Some iron ore, manganese, and bauxite was mined by Japanese firms; pine-apples were grown and canned; palm and coconut oil and rice were raised; and considerable fishing was done. Industry was practically nonexistent, the great majority of the wage earners being engaged in agriculture. Most of Malaya's small amount of industry was in the Straits Settlements; practically the entire supply of tin came from the Federated States; and the Unfederated States held the largest rice growing lands. Rubber was cultivated throughout the country.

A substantial group of native Malays were outside the wage system, living at subsistence levels by farming small plots of land or by living on forest animals or vegetation. Three-fifths of the land area was primeval evergreen forest, peopled only by a few jungle tribes. As a result of this relatively one-sided development, Malaya, although

possessing a variety of valuable natural resources, was not self-sufficient. The country did not even produce enough rice, the staple food for the great majority of the population; two-thirds of the rice consumed was imported. Dependence on world rubber and tin markets made the country particularly sensitive to fluctuating conditions in the United States.

The Sino-Japanese war affected the peninsula to a certain extent. Malayan Chinese boycotted Japanese goods and struck against Japanese employers, and immigrants often could not return to China. However, conditions were not altered markedly until the European war began in 1939. The Japanese attacked Malaya on December 8, 1941. By January 31, 1942, the British had withdrawn to Singapore, and on February 15, that city fell. For the purposes of this report, 'wartime' refers to the period from the beginning of the European conflict to the Japanese occupation of the peninsula.

### Distribution and Characteristics of the Population

Of a population estimated in 1939 at 5,396,708 persons, the native Malays<sup>2</sup> numbered only 2,250,333, or 42 per cent of the total. The Chinese were almost as numerous as the natives, while Indians<sup>3</sup> were far fewer. Table 1 indicates the distribution of the population, both racially and geographically, at the time of the last census in 1931 and as estimated in more recent years. The number of Europeans in the country was small, and they did not form a part of the wage-earning class, being mostly salaried officials of the Government and on large estates. As such, they are not considered in this report except in the distribution of population.

<sup>2</sup> Population figures group the few immigrants from the Netherlands Indies with the native Malays, since the two groups are racially so closely allied.

<sup>3</sup> Nine-tenths of the Indians in Malaya are Tamils from South India, and in this report the term "India" will refer to these persons except where specifically stated otherwise.

TABLE I - Population of British Malaya, by Race and Political Subdivisions (1)

Administrative subdivision	Total	Native and other Malays	Chinese	Indians	Euro-peans	Others
<b>Total, British Malaya:</b>						
1931.....	4,353, 715	1,934, 900		623, 224	17, 648	72,023
1939.....	5,396, 708	2,259, 333		644, 283	39, 081	30,953
<b>Straits Settlements:</b>						
1931.....	1,114, 015	285, 316				22,901 2
1941.....	1,435, 895	315, 629				26,311 2
<b>Federated Malay States:</b>						
1931.....	1,713, 096	593, 731				21,479
1941.....	2,212, 052	722, 626	989, 635			586
<b>Unfederated Malay States: 1931.....</b>	<b>1,526, 604</b>	<b>1,055, 851</b>	<b>330, 857</b>			<b>7,648</b>
<b>Johore:</b>						
1931.....	505, 311	234, 422	215, 076			4,053 2
1940.....	737, 590	309, 520	346, 590			5,250
<b>Kedah:</b>						
1931.....	429, 691	286, 262	78, 415		411	13,779
1940.....	515, 753	334, 054	106, 049		783	14,022
<b>Kelantan:</b>						
1921.....	362, 517	330, 774	17, 612	6, 752	124	7,255
1940.....	390, 332	338, 922	30, 913	11, 513	175	8,809
<b>Perlis:</b>						
1931.....	49, 296	39, 831	6, 500	966	3	1,996
1940.....	57, 776	46, 133	8, 432	1, 178	(3)	2,033
<b>Trengganu:</b>						
1931.....	179, 789	164, 564	13, 254	1, 371	35	2 565
1941.....	211, 041	(4)	(4)	(4)	(4)	(4)

(1) Figures for 1931 are census data; other figures are annual mid-year official estimates.

(2) Includes Eurasians.

(3) Europeans are included in the class 'other' last available estimate for Europeans in Johore was 930 in 1937, in Perlis, 7 in 1937.

(4) Figures not available. There was little change in the population from migration.

The Malays predominated in the Unfederated States, but occupied a much smaller proportion of the more highly developed sections. The two major immigrant groups inhabited the more advanced areas of the Straits Settlements, the Federation, and, to a certain extent, Johore. The principal centres of population in 1931 were Singapore and Penang in the Straits Settlements, with estimated populations of 490,489 and 149,408, respectively, and Kuala Lumpur and Ipoh in the Federated Malay States, with populations of 111,738 and 58,863. Chinese outnumbered all other races combined in such urban centres, forming three-fourths of the population in Singapore.

Native to the Peninsula were the Malays, divided into distinct tribes with little or no national feeling. The Malay varied from fierce savagery in the uncivilized tribes of the interior, many of whom lived on jungle products, to a high degree of culture among the coastal tribes. Much of the civilization of the latter groups was the result of foreign influences, especially Hindu and Arab. Until recently the immigrant population was made up predominantly of men, who worked for 2 or 3 years and returned home as soon as they had a supply of ready cash. Later, more women came, and increasing



numbers of immigrants settled in Malaya. While in Malaya, the immigrants—chiefly the Chinese—remained politically and culturally unassimilated. The Chinese were the first to exploit tin and contributed largely to the development of the country.

Malay was the language most prevalent on the peninsula, being widely used as the language of commerce and more or less understood, in numerous dialects, by all residents of Malaya. Free education was provided in the vernacular for all Malays, and financial aid was given to the vernacular Chinese and Indian schools. However, the percentage of literacy was low, owing to the large proportion of migrant labourers who received no education in their home countries. The Mohammedan, Hindu, Buddhist and Christian religions all had numerous adherents in Malaya.

### Immigration.

Large-scale, organized immigration came with the development of Malaya's rubber and tin industries and the accompanying need for labour. Immigration was of overwhelming importance in Malayan life. Most economic activity was dependent on the continuous flow of immigrants, mainly from China and India, but also, in small numbers, from the Netherlands Indies.

Before the Japanese occupation, conditions of Indian immigrants were protected by the Indian Immigration Fund under management of a committee which assessed planters on the basis of the work done by Indian labourers in their employ, and which paid for transportation costs, feeding, etc., of Indian workers *en route* to Malaya. In some cases free repatriation was provided. Usually only unfit immigrants received assistance to return to their homelands, but, during periods of depression, unemployed Indians also were deported at the expense of the Fund. The Fund was established in 1907 and was pan-Malaya in operation.

Workers also came to Malaya at their own expense. The proportion of unassisted immigrant labourers increased markedly in the middle 1930's, apparently in part because the workers wished to avoid the Fund formalities and in part as a result of the severe restrictions imposed on assisted migration in the depression years. Of the assisted group of immigrants, the proportion of labourers coming voluntarily and not recruited also increased in recent years. Recruiting

became almost non-existent as a means of obtaining labour from India, though it was still essential for new estates which had not yet built up a connection with villages in India, or for labourers who lived too far from the recruiting stations to pay their own railway fares. Reasons for the increasing proportions of non-recruited immigrants, both assisted and unassisted, were the reputation for good employment conditions on Malayan plantations and the free-labour policy pursued. The indenture system was abolished for Indians in 1910, for Chinese in 1914, and for the Netherlands Indies immigrants\* in 1932.

No public fund was provided to assist labourers other than the Indians to migrate either to or from Malaya. With the labour shortage immediately preceding the present war, attempts were made to increase the number of Javanese immigrants from the Netherlands Indies. On September 25, 1941, a bill was introduced to extend the working of the Indian Immigration Fund to include them. Apparently the bill was not passed before the peninsula was invaded by the Japanese.

### Occupational Distribution of the Population

Approximately 46 per cent. of the total population—1,986,905 persons—of Malaya were gainfully occupied at the time of the 1931 census. Women comprised about one-fourth of the force. Table 2 shows the occupational distribution in Malaya by administrative subdivision in 1931.

TABLE 2.—Occupational Distribution of Gainful Population in British Malaya, 1931.

Administrative sub-division	Total		Gainful workers in—					
	Number	Per- cent of total popu- lation	Agri- culture	Fishing	Mining and manu- facture	Trans- port and com- merce	Public service and profes- sions	Persons & service
Total, British Malaya	1,986,905	45.6	1,170,880	41,440	242,924	336,455	62,440	132,766
Straits Settlements	470,446†	42.2	134,107	16,030	69,362†	169,811	29,605	51,531
Federated Malay States	837,811	48.9	520,494	..	136,067	109,210	19,136	52,304
Unfederated Malay States	678,648	44.5	516,279	25,410	37,495	57,434	13,099	28,931
Johore	223,338	44.2	163,403	5,136	13,133	22,365	5,806	13,445
Kedah	194,786	45.3	158,925	2,758	7,345	15,035	3,585	7,138
Kelantan	158,510	43.7	123,263	6,627	5,566	11,123	2,059	4,872
Perlis	25,203	51.1	20,837	482	1,442	1,174	326	942
Trengganu	76,811	42.7	44,851	10,407	9,959	7,737	1,323	2,534

\* The system was in disuse a number of years before it was legally abolished.

† Information is not available to indicate whether any of the 643,569 persons remaining in the total population were gainfully occupied in pursuits not here listed.

‡ Census classification was industrial employment practically; no mining was carried on in the Straits Settlements.

Agriculture accounted for by far the majority of workers—1,170,880. It was carried on both by the plantation method of large estates, owned chiefly by European companies, and by the less-organized system of many small holdings, owned by Asians. Compared to agriculture, transport and commerce which employed the next largest number of workers occupied but a small force—336,455. Employment in mining, which was so important in the nation's economy, was even more limited, and industry accounted for only a few workers. Malaya's small amount of industry consisted of tin smelting, the only large-scale industry in the country, and a number of small Singapore establishments manufacturing rubber products or engaged in engineering, shipbuilding, and processing of various kinds.

In general, the Chinese worked the tin mines and did the trading, and the Indians were employed on rubber estates, although small numbers of the two races, especially the Chinese, were engaged in other occupations. The two immigrant groups were the main constituents of the labour force. Most native Malays did not work as wage-earners, preferring to be small farmers and fishermen, and were thus a negligible element except, to a certain extent, in the Unfederated States, where alien competition was at a minimum.

What industrial skill existed in Malaya was concentrated in the Straits Settlements, and was mostly Chinese. In the Malay States, various 'cottage' industries and handicrafts were carried on, such as mat making, embroidery, basketry, pottery, metalwork, and weaving and dyeing.

### Employment Conditions.

Malaya was deeply affected in 1930 by the world depression which started in 1929. Because of the nature of the labour force, lowered rubber and tin prices resulted not in large-scale unemployment but in reduced immigration. Only in the two big cities of Singapore and Penang did unemployment become general. Immigration was decreased by lowered wages, uncertainty of employment, cuts in Government assistance to Indian migrants, and application of quotas to adult male Chinese.<sup>5</sup> In addition, many workers returned home from Malaya some at their own cost and others at the expense of the Immigration

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<sup>5</sup> A quota was put on the admission of Chinese women in 1938. Children under 12 years of age remained unrestricted.

Fund or Malayan Government. The result was a net outflow of both Indians and Chinese. Efforts were made to minimize dismissals on rubber estates by part-time employment, lower wages, fewer working days in the week, and reduced employment of women and children. Increased use was made of established relief facilities, not ordinarily utilized extensively. For workers in need of relief, the Indian Immigration Fund maintained a home in Kuala Lumpur—the Home for Decrepit Indians—which combined the functions of an asylum for the unemployed, a convalescent home, and an orphanage. Depots were also provided in Singapore, Penang, and elsewhere, and unemployed Indian labourers were housed and fed until work was found for them. The transportation of unemployed to places where work was available was financed by the Fund. The Chinese Protectorate maintained suitable institutions for Chinese labourers.

After improving in 1933, conditions advanced steadily as a result of the rise in rubber and tin prices following international regulation. The demand for labour rose, and unemployment disappeared. Restrictions on assistance to Indian migrants were removed, Chinese quotas were raised, and immigration recommenced.

The year 1938 brought a recession in response to the unexpected depression in the United States. Widespread unemployment and reduced immigration resulted. The spread of the Sino-Japanese war to southern China accentuated the unemployment of Chinese workers by preventing their return to China. Continued voluntary Indian immigration augmented Indian unemployment. The Government provided relief work (mostly on the construction of earth roads), reduced the Chinese quota, and cut Indian assistance. However, the situation continued to deteriorate, and, in June 1938, the Government of India prohibited emigration to Malaya. The trend of employment for a restricted group of estate, mine, and factory workers in Malaya during the period 1930-38 is shown below :

	<i>Number employed</i>		<i>Number employed</i>		<i>Number employed</i>
1930	362,599	1933	291,924	1936	386,317
1931	310,360	1934	362,037	1937	479,536
1932	270,439	1935	348,979	1938	398,067

At the end of 1939, the European war stimulated Malayan activity, and the demand for rubber and tin soared. A labour shortage resulted. With the refusal of the Indian Government to remove its emigration ban and the rejection by the Malayan Government of employers' requests for increased Chinese quotas, attempts were made to increase

recruitment from Java. The labour situation did not change, however, up to the time of the Japanese occupation early in 1942. All workers offered by the labour market continued to be absorbed and considerable shifting of labourers from one job to another took place. Under the British Defence Regulations, extended to the colonies in 1939 and 1940, labour and industry could have been requisitioned, but no such action was taken.

### Labour Administration.

The Labour Department headed by the Controller of Labour had jurisdiction over workers of all classes and races on estates and other places of employment in the whole of Malaya. Local labour offices in the various sections reported to the Controller, who co-ordinated labour action throughout the country. Indians were specially protected by the Indian Immigration Committee—which also supervised Javanese and Malaya workers—and by agents maintained in Malaya by the Government of India. Chinese workers were under the jurisdiction of the Chinese Protectorate; several of the Protectorate's officers were deputy and assistant controllers of labour, and acted as liaison officers.

### Wages and Hours.

#### GENERAL TREND OF WAGES AND COST OF LIVING.

Wage fluctuations in Malaya were minimized by the mobility of the immigrant labour supply, although some rises and falls occurred inevitably with prosperity and depression. Such wage changes as took place followed the trend of employment conditions, a reduction occurring in 1930, followed by recovery, and by another fall in 1938. The European war in 1939 caused a rise which continued throughout 1940 and 1941 and finally reached the high 1929 levels.

No official indexes of wage-earners' cost of living were compiled in Malaya. A typical Indian labourer's monthly 'budget' was computed, but no index numbers were published and only scattered information is available. Cost of living fell in 1930 and 1931, remained fairly constant in 1932, and fell again in 1933, by 9.7 per cent. The budget remained practically unchanged in 1934 and increased slightly—2.5

per cent.—in 1935. Little change took place during 1936, but by the end of the following year the budget had risen 4 per cent. With the outbreak of the European war in 1939, cost of living started upward and continued to rise throughout 1940. By the end of the latter year, the standard Indian budget had risen 24 per cent. from the beginning of the war—9.3 per cent. of the rise being in 1940. Cost of living continued to rise during 1941.

The lack of cost-of-living and wage indexes prevents computation of exact real wages. However, the general correspondence of the direction of living costs with the trend of wages indicates that wage fluctuations usually did not alter the worker's position as much as the change in money wages would indicate.

Malayan wages varied both between races and sections of the country, and also according to the type of occupation. Daily wages of 35 to 60 Straits Settlements cents—or 20 to 34 United States cents (converted at the pre-war par value of the Straits Settlements dollar, which equalled 56.9 United States cents in 1938<sup>6</sup>)—are representative of the pre-war level for unskilled workers on Malayan estates. Labourers on rubber estates and tin mines and most of those working for the Government were housed rent-free and received free medical attention; estate workers were provided with allotments of land to work for themselves. Nine days' annual vacation with pay was approved in 1939 for all Government employees paid by the day.

#### WAGES, HOURS, AND THEIR REGULATION.

*Agriculture.*—Agricultural workers were usually Indians. A small group of Indians on oil-palm and tea estates worked on a piece-work basis, but the majority were day labourers. Wages were higher on plantations than on small holdings. Wage differentiation for women was small and in some instances tended to disappear. Table 3 shows daily earnings of unskilled Indian labourers on rubber and coconut estates, by geographic area, in 1934, 1936, and 1937. Estate factory workers received higher pay than other estate workers. In the ranges given, the lower rates are for morning work (6-6½ hours); the higher figures are for full-time work.

<sup>6</sup>In the following data, figures given in dollars and cents refer to Straits Settlements currency.



TABLE 3.—Daily Earnings of Unskilled Indian Labourers on Estates in British Malaya, 1934, 1936, and 1937.

Area and pursuit	1934		1936		1937	
	Males	Females	Males	Females	Males	Females
<i>Rubber estates</i>						
Store and factory workers:						
Straits Settlements:	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
Singapore.....	35-55	.....	40-50	32-40	45-47	35-36
Penang.....	40	.....	40-45	.....	45-59	.....
Province Wellesley.....	35-45	28-40	40-45	30-32	50-60	40
Malacca.....	40-50	30-35	40-50	32-40	50	40
Federated Malay States:						
Perak.....	40-45	32	45-50	32-36	55-60	40-60
Selangor.....	40-50	30-35	40-50	32	55-60	40-60
Negri Sembilan.....	42	32	45-55	35-45	55	40
Pahang.....	47-65	.....	47-60	40	45-75	.....
Unfederated Malay States: (1)						
Johore.....	50-60	35-45	40-60	32-45	40-60	32-45
Kedah.....	35-50	30-45	45-50	40-45	50-75	40-50
Kelantan.....	.....	.....	.....	.....	.....	.....
Tappers:						
Straits Settlements:						
Singapore.....	30-55	28-35	35-48	32-40	40-55	35
Penang.....	35-45	28-40	40	32	45-50	36
Province Wellesley.....	35-45	23-40	40	32	50	40
Malacca.....	35-50	30-40	35-40	28-32	50	40
Federated Malay States:						
Perak.....	35-40	28-35	40	32	50	40
Selangor.....	35-40	28-32	40	32	50	40
Negri Sembilan.....	30-40	28-32	40-45	32-45	50	40
Pahang.....	40-64	35-54	40-50	33-44	50-60	36-60
Unfederated Malay States: (1)						
Johore.....	40-55	32-45	40-45	32-45	40-60	32-45
Kedah.....	35-40	28-35	40-45	32-45	50-55	40-45
Kelantan.....	40	32	47	37	50	40
Field workers:						
Straits Settlements:						
Singapore.....	30-55	28-35	40	32	40-50	35-40
Penang.....	35-45	28-40	35-40	30-32	45-50	40
Province Wellesley.....	35-45	28-40	40	32	50	40
Malacca.....	35-50	30-40	35-40	28-32	50	40
Federated Malay States:						
Perak.....	35-40	28-32	40	32	50	40
Selangor.....	28-40	28-32	40	32	50	40
Negri Sembilan.....	30-40	28-32	40	32	50	40
Pahang.....	42-55	32-40	40-60	32-40	50-60	35-45
Unfederated Malay States: (1)						
Johore.....	40-45	32-40	40	32	40-50	32-40
Kedah.....	30-40	28-35	40	32	50	40
Kelantan.....	40	32	40	32	.....	.....
<i>Coconut estates</i>						
Store and factoryworkers:						
Straits Settlements.....	35-45	30	40-45	32-34	50-58	40-43
Federated Malay States.....	40-45	25-32	45-50	24-36	50-60	40-60
Pickers:						
Straits Settlements.....	35-40	30-32	40-48	32	45-60	40
Federated Malay States.....	38-45	30	40-60	32	40-60	40
Weeders:						
Straits Settlements.....	35-40	28-32	40	32	45-50	40
Federated Malay States.....	38-40	30-32	40	32	50	40

(1) No material is available for Perlis and Trengganu; rubber was unimportant in those areas.

Wages in October 1939 were approximately 50 and 40 cents for men and women, respectively. In 1940, the announced rates were unchanged, but the usual adjustments in favour of labour during a full-employment period took place. A 12-per cent. increase was common. Average monthly earnings increased steadily—for minors as well as for men and women—and by the end of the first year and a half of war,

wages had advanced more than 33 per cent. In early 1941, wages had risen to 60 cents a day for men and 50 cents for women, and were the highest ever paid in the history of Malaya's rubber industry. Chinese coolies at the airdrome received a minimum of \$ 1 a day.

Javanese and Malay wage-earners received much the same wages as the Indians. Chinese usually worked on a piece-work basis, and their earnings were higher, averaging 20 per cent. more in 1938. In contrast to the Indians, who were usually employed directly, most Chinese were employed under the contracting system, a grievance of long standing in Malaya. Employers hired labour through labour contractors who regularly received a cut from the workers' wages as commission. This reduced actual earnings substantially for the Chinese. In recent years, a higher proportion of Chinese were employed directly but the contracting system was still fairly prevalent.

*Tin mining.*—Wages in the tin-mining industry were higher than those on estates, but were subject to greater fluctuation with good and bad times. The Chinese who worked the mines were willing to take heavy pay reductions when prices were poor—sometimes accepting as much as an 80 per cent. cut; however, they expected to share in any improvement. Miners fared worse than estate workers when wages dropped as they did not have land for subsistence farming. The contracting system was in use here too and contractors' commissions constituted a substantial proportion of mining wages, ranging from one-tenth to one-fourth of the coolie's earnings.

Payment by piece and payment by the day were the two main wage systems in the industry. Most labourers worked under the former scheme—80 per cent. of the Chinese in Federated States mines in 1936 being paid by piece. No basic rates are available; contractors who provided a gang of workers received from \$5 to \$7 in 1935-36 for each cubic yard of ground cut and carried away but no statement was made with regard to how much of this each worker was paid. Daily wages during this same period were from 40 to 60 cents, with workers housed and fed free at an additional cost of about 20 cents a day.

In addition to these two systems, some workers were employed on a profit-sharing basis, earning good wages in prosperity and a mere subsistence in depression. In the latter periods, owners often handed the working of the deposits over to the labour force; the workers succeeded in getting only cost of food and bare necessities from the mine.

Under the 'tribute' system, a mining speculator made the initial outlay, provided food and shelter for labourers, and permitted them to share whatever was left from the profits of the mine after he had taken his tribute.

*Other non-agricultural workers.*—Wages of industrial labour were considerably higher than those on the estates. In 1938, they were from 80 cents to \$1.20 per day for men, with a wider range in certain industries and remote areas (up to \$3 daily in Kedah). Scattered information indicates that earnings in pineapple factories were from 50 to 70 cents per day. They were approximately the same in sago factories. In establishments manufacturing rubber articles, wages depended on the ability of the worker. In one such factory (the Bata factory), the average rate of pay was \$1.36 per day and the lowest was 68 cents; a few part-time piece workers received about 37 cents per day. Daily wages in similar factories, Chinese-owned and with Chinese workers, averaged 70 cents. In various engineering establishments and small foundries, the Chinese, who formed the greater part of the labour force, averaged \$45 monthly. Some Indians were employed on tasks requiring less skill; their monthly earnings averaged \$30.

Prevailing daily wage rates for construction workers in June 1940 were as shown below. Unskilled coolies are included for purpose of comparison.

Coolies :	Daily wage
Chinese	.. \$0.80—\$0.90
Lascar	.. .65— .80
Indian	.. .60
Carpenters and masons	.. 1.40—1.50
Fitters	.. 1.80—2.20
Boilermakers	.. 2.00
Drillers	.. 2.00
Indian drivers (mixer, pump, and crane)	.. 1.10—1.75

Government departments maintained about the same wage rates as those set for the state workers. Daily wages paid to male Government employees of the labouring class throughout the Straits Settlements in 1936 ranged from 40 cents to \$1.44, depending on the locality and the type of work. In November 1939, after the European war had broken out the Governments of the Straits Settlements, Federated Malaya States, Johore, and Kedah, and quasi-governmental bodies, such as the harbour boards and municipalities and the departments of the Imperial Government, introduced a cost-of-living allowance for their own labourers and artisans. The allowance varied with the changes in retail

prices and was based on the fluctuations of a standardized budget. Rates provided were as follows :

Daily wage :	Monthly allowance	
	November 1939	June 1940
\$1.00 or less	.. \$1.00	\$2.80
\$1.01 to \$1.50	.. 1.50	3.20
\$1.51 to \$2.00	.. 1.50	3.65
\$2.01 and over	.. 2.00	4.10

Conditions were particularly bad for Singapore's 10,000 clerks. Unorganized, inarticulate, and generally apathetic, their numbers far exceeded any possible demand for them, and the schools continued to turn out 700 boys a year who were qualified for clerical positions. After the depression, they drew salaries of \$10 a month upwards—barely a living wage. They did not even have the protection afforded to manual workers by the Labour Department, and aged employees regularly were dismissed to be replaced by younger men at lower salaries.

In Singapore's Chinese shops, working conditions were also extremely poor. In 1938, the wage scale ranged from \$8 to \$25 a month and was lowest for those working the longest hours.

Rates of pay in 1937 for domestic servants throughout the peninsula were generally from \$20 to \$30 a month.

Wage increases of from 10 to 12 per cent. were granted during the early part of the war (end of 1939 and beginning of 1940) by many European and Chinese trading firms as well as by Chinese enterprises in Singapore and up-country.

Standard (or minimum) wages were established for Indian estate workers by the Indian Immigration Committee under the 1923 Labour Code. The rates were set only for certain 'key' areas, but in effect they influenced wages in other districts as well. They also tended to set the minimum for those of other races who were in the same work, as well as the minimum rates in other industries. Standard rates were 50 cents a day for men and 40 cents for women in 1929; 40 and 32 cents, respectively, during the 1930's and 1940; and just before the Japanese occupation, 50 and 40 cents again. Slightly higher standard rates were prescribed in remote key areas.

In 1932, to insure a minimum living to all workers and to keep conditions level in key and non-key areas, the Indian Immigration Committee fixed monthly subsistence wages for estate workers. Employers in non-key areas had been reducing wages directly, and key-area employers, who formerly had paid full standard rates for less than

the normal length day, had begun to pay wages only for the hours actually worked. The monthly subsistence levels set were \$7.20 for men and \$6 for women. Most European estates endeavoured to maintain these wages, but smaller estates and native holdings often could not do so.

Chinese workers had no organization comparable to the Indian Immigration Committee for protecting their wages. While Chinese day labourers on estates received wages equal to those set for the Indians, Chinese who worked on piece rates were not affected by the standards set. In 1937, an Advisory Committee on Chinese Labour was created, with wage-fixing functions similar to those of the Indian Immigration Committee but without statutory powers. Information on its activities is not available.

The Labour Code provided for a 9-hour day and a 6-day week for all labourers, with overtime to be paid for at double time. The average number of hours worked by estate labourers and paid for at standard daily rates was normally much less : in one of the Unfederated States in 1937, estate factory workers averaged 8 to 9 hours, weeders 7 to 8, and tappers 6 to 6½. During depression periods, estate owners usually extended the number of hours but continued to pay only the standard daily wage.

In mines where workers were mainly employed by the day, and 8-hour workday was usual in the mid-1930's, as was the case in Government departments. It is probable that hours were considerably longer in mines under different wage systems and in most industries where the labour force was composed mainly of Chinese, who were willing to work long hours. Chinese clerks and shop assistants in Singapore often worked up to 17 hours per day.

As provided in the Labour Code, no person was bound to work on more than 6 days in the week, but no specific weekly day of rest was provided. Though mines, estates, and factories—except Government establishments—usually worked 7 days a week, the worker often did not average more than 5 days' work, if account was taken of the numerous religious feasts and holidays.

### Conditions of Women and Children.

In the early 1930's, an amendment to the Labour Code prohibited night work between 10 p.m. and 5 a.m. for women of any age and

for young persons under 18 years. Maternity allowances and leave before and after confinement were also provided for under the Labour Codes and the maintenance of schools and nurseries was required on estates of a certain size. Various legislations prohibited employment of children under 14 years of age on ships, of children under 16 years of age in places using power-driven machinery, of children under 12 years outside the estates, and of Indian immigrant children under 10 years anywhere. Child labour was employed extensively on rubber estates, and the sums earned by the children made an appreciable yearly contribution to the coolies' incomes.

The *mui-tsai* system formerly was prevalent in Malaya, whereby girls of poor families were bound over as domestic servants to persons better able than their parents to provide for them. The abuse of the system brought legislation to regulate and finally to abolish the practice.

A 1932 ordinance required all *mui-tsai* to register, and prohibited future employment as *mui-tsai* of women not so classed at the time of the registration.

### Labour and Employer Organizations and Industrial Relations.

In peacetime, no special legislative provisions were made for trade-unions. The basic right of association was established for all groups by the societies legislation of 1909. The powers of the Registrar of Societies were used very sparingly, and official policy was designed to foster organization. Chinese mutual-aid societies were not formal trade-unions, but they performed a number of trade-union functions, such as presenting demands for wage increases and initiating strikes. Apparently in part because of the higher standards of Malaya in comparison with India, no Indian organizations had progressed far enough to be considered labour organizations. The Central Indian Association of Malaya (C.I.A.M.) worked to improve conditions of Indian labourers, but the organization had broader aims, basically political.

Employers showed a disinclination to organize. The only exception appears to have been the United Planters' Association of Malaya, an extremely powerful organization. The monthly subsistence wages established by the Government during the depression were maintained only with the support of the Association.

Prior to 1936, strikes were only sporadic, with no anti-strike legislation enacted. Government intervention was confined to cases of unlawful



assembly and criminal intimidation that were subject to prosecution under the Penal Code ; such provisions were inadequate for controlling trade disputes. In cases in which the demands of striking workers were not granted, or in which no settlement was reached, the Labour Department investigated and negotiated an agreement. If the strike was unjustified, the workers were paid off and dismissed ; if workers had been hired in the strikers' places, the Labour Department often housed the unemployed workers and found them work.

Organized labour activity began to increase in the immediate pre-war period. Encouraged by the Communist Party, a large growth in the number of Chinese registered societies took place. In 1936, a strike movement began which, after dying down slightly in 1937, continued to grow until the invasion. Most of the strike activity was carried on by the Chinese, with Indian strikes confined, until recently, to scattered local disturbances. A large proportion of the activity occurred in Singapore. The number of workers participating in stoppages varied from 25 in one case to 17,000 in another, with strikes of about 100 being most common. Usually the strikes lasted only a few days, but the range was from 2 hours to 3 months.

At first, strikes were largely for the purpose of increasing wages. Shorter hours and improved working conditions were requested in a few instances. In addition, many small local problems brought on disturbances. Thus, 70 labourers stopped work on one estate because of a rumour that certain members of the estate staff were practising witchcraft. With the outbreak of the European war in 1939, strikes grew in number even more rapidly and resulted not only from demands for increased wages but also from the sharply rising cost of living, the workers' desire for a share in the profits being made, and political reasons. The Communist Party was closely involved with the Chinese patriotic movement which gained impetus from Japanese aggression against China. The China Relief Fund was expanded into a political power with broad influence on labour. The fact that political agitators instigated the strikes, rather than labour leaders, resulted in a disorganized movement.

The rapidly increasing number of strikes resulted, in 1940 and 1941, in the outlawing of strikes in certain essential pursuits. In addition, an industrial-disputes bill was introduced late in 1941 and passed in the Straits Settlements. The legislation was designed to restrict strikes and lockouts to legitimate purposes such as wages and hours.

The strike movement further resulted, in 1940, in the passage of trade-union legislation. The measure required the registration of unions separately from other organizations<sup>1</sup> and made them liable for contracts entered into by them or by their agents. Immunity from civil suits for acts performed in connection with labour disputes was granted to registered trade-unions and they could not be prosecuted on the ground of 'restraint of trade'. The right of collective bargaining, previously non-existent in Malaya, was emphasized. Government employees could not be members of trade-unions.

Also enacted during 1940 was the industrial-courts legislation, providing for the establishment of the first official machinery for settling industrial disputes. Previously, the Singapore Traction Co. strike had been submitted to arbitration in July 1938. The award of the Government-appointed tribunal in November gave the men little more than the company had offered them before the strike began. However, both parties accepted the award and an important precedent was set. The 1940 legislation provided for the appointment by the Governor of a standing industrial court. Both employers and workers were to be represented, though the proportions were not specified. The Controller of Labour could refer cases for settlement to the industrial court, to arbitration by one or more persons appointed by him, or to a board of arbitration with equal representation of both sides and chosen from a panel constituted by the Governor. Provision was also made for the appointment of courts of inquiry to investigate disputes.

Compulsory arbitration of labour disputes in certain occupations during the war was provided for in July 1940 under Great Britain's Defence Regulations. When voluntary negotiation failed, differences were to be referred under the Regulations to a tribunal appointed by the Governor, and both parties were to be required to accept the award.

### **Co-operative Movement.**

The Malayan co-operative movement began in 1922, when the first urban credit association was started, and was largely the result of Government action to improve the condition of the people by the cultivation of habits of thrift and by providing a source of credit at

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<sup>1</sup>By the beginning of March 1942 no union had been registered.

moderate rates. The Government maintained an office to advise and guide all types of co-operatives. No funds were advanced, but various privileges were granted, such as exemption from the payment of certain stamp fees. In 1933, the Straits Settlements Government further encouraged credit associations by announcing that thereafter no civil servant would be allowed to sign a promissory note except to the Government or to a co-operative association.

Credit associations were by far the predominant type, forming 88% of the total number of associations in 1938, with 92% of the total membership. Other associations were those of the Indians, chiefly for thrift, and the so-called 'better-living', associations, formed for the purpose of inducing members to forego the expensive ceremonies customary at weddings, funerals, etc.

From 1928 to 1938, the number of associations of all types rose from 144 to 579. Total membership increased nearly fivefold from 21,930 to 103,102, but average capital per member declined from \$99 to \$88.

Apparently the co-operatives were not greatly affected by the war. Exact information is not available.

### Social Insurance.

Workmen's compensation legislation came into effect in Malaya in the early 1930's. Coverage extended to workers or dependents of workers employed in certain occupations who earned not more than \$200 per month and suffered injuries resulting in death or any disablement for a period exceeding 7 days, or who contracted specified occupational diseases. Employers were liable for payment of the benefit.

Death benefit for an adult was a sum equal to 30 months' wages or \$1,600, for a minor the sum was \$200. If an adult sustained permanent total disablement, the compensation was a sum equal to 42 months' wages or \$2,400; in case of a minor, it was 84 months' wages or \$2,400. Compensation for permanent partial disability was a fixed percentage of that for permanent total disability, depending on the nature of the injury. Injuries for which compensation might be obtained ranged from loss of an arm above or at the elbow, which counted as 70% reduction in earning capacity, to loss of any finger other than the index finger, reckoned as a 5 per cent. decrease. Tempo-

rary disablement was compensated for a period of not more than 5 years. Semi-monthly benefits for an adult were \$10 or a sum equal to one-fourth of the monthly wage; minors received a sum equal to one-third of the monthly wage (one-half, after the person became an adult), not to exceed \$10.

No other system of social insurance was in effect in Malaya.

## Conditions Under the Japanese.

### ADMINISTRATION.

Japan transferred all of the Unfederated States except Johore to Siam's rule, and the Island of Sumatra was added to 'Japanese' Malaya. The country was put under a strict military administration which controls economic as well as political activities, including those of the Japanese. A director-general, responsible only to the War Office in Tokyo, heads the military administration, assisted by a number of advisers and by a central council of high Government Officials and representatives of the main communities. Beneath this central organization, which includes about 15 administrative bureaus, are corresponding governmental bodies for each State, with governors comparable to the director-general. Important administrative positions are filled by the Japanese, with local governments still in the hands of the natives, who are being trained, however, in Japanese methods.

The Japanese have attempted to transform Malaya into a completely planned economy. All business and industry are conducted by a permit system. Control of economic activities, both large and small, has passed into Japanese hands. Aims of the administration are to provide certain materials necessary to Japan and to establish local self-sufficiency. Accordingly, iron-ore and bauxite production and shipbuilding are encouraged, for the benefit of the Japanese war machine, and special efforts are made to increase production of rice and cotton and to establish factories for making domestic substitutes for imported goods.

### LABOUR CONDITIONS.

Unemployment began almost immediately after the invasion. Loss of markets and upset production were particularly bad in the

rubber and tin industries, and plantation and mine workers—that is, principally the Chinese and Indians—have suffered most from disruption of the economy. The Malays, on the farms and in their villages, have not been greatly affected.

In March 1943, the Japanese said that the unemployment problem had been solved by the air-base work. Almost immediately thereafter, in an effort to cope with unemployment the administration established a Labour Affairs Office in Singapore for the placement of workers. Operation was begun April 1, 1943. By the end of July of that year, the Japanese stated that the office had provided thousands of jobs.

A labour-service corps was formed throughout Malaya during 1943, to facilitate a speedy supply of labour for construction. Twenty persons aged from 15 to 45 years were taken from each 250 inhabitants.<sup>8</sup> Members were to be paid for their work and given identification badges.

At the same time that unemployment existed in certain areas and occupations, a degree of labour requisitioning was authorized. In December 1943, it was announced that a conscription system for handling Malayan manpower had been completed and the drafting of local inhabitants to do agricultural service would be extensive. Labourers in non-essential work were to be replaced with girl workers. The first step in the threatened draft was taken in Singapore on January 1, 1944, when an attempt was made to register all workers for compulsory labour service. About 150,000 persons in industry, commerce, and agriculture were registered. An investigation of the movement of workers and an appropriate disposition of labour were to be carried out. The Japanese broadcast regarding the registration did not indicate the sex or age group of persons affected.

Wage material for the period after the invasion is extremely fragmentary. Chinese coolies' wages were reduced. Early in 1943, Chinese labourers in Singapore were paid 80 cents per day; in 1941, Chinese coolies at the airdrome received higher rates, with 81 a day the minimum. On August 16, 1943, the military administration promulgated an ordinance governing wages of all workers in Malaya; wages were fixed and pensions provided for. The immediate effect of the measure was a considerable improvement in the wages and allow-

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8. On the basis of the territory comprising British Malaya, exclusive of the four States given to Siam, it is estimated that about 280,000 were made members of the corps.

ances of manual labourers. In November 1943, the Singapore Rubber Association was reorganized to become all-Malayan and its functions were expanded to include regulation of labourers' wages. Whether any action was taken is not known. A general salary increase took place for Government employees about the middle of 1943. Persons who spoke Japanese were in a favourable position wherever they were employed, and received higher wages than other employees.

The wages received are low under inflation conditions. Shortages of consumer goods and especially of rice affect the labouring classes greatly. As economic conditions have deteriorated and inflation has continued to grow, prices have been fixed for some 80 types of goods, including all necessities, such as clothing, drugs, tyres, and tubes. Restrictions on sales of most, and rationing of some, consumer goods were started. In August 1943 a survey was taken of stocks of all necessary goods. Shops were requested to report all commodities in their possession within 10 days. Apparently the situation is desperate for many thousands of city dwellers and unemployed mine and plantation workers.

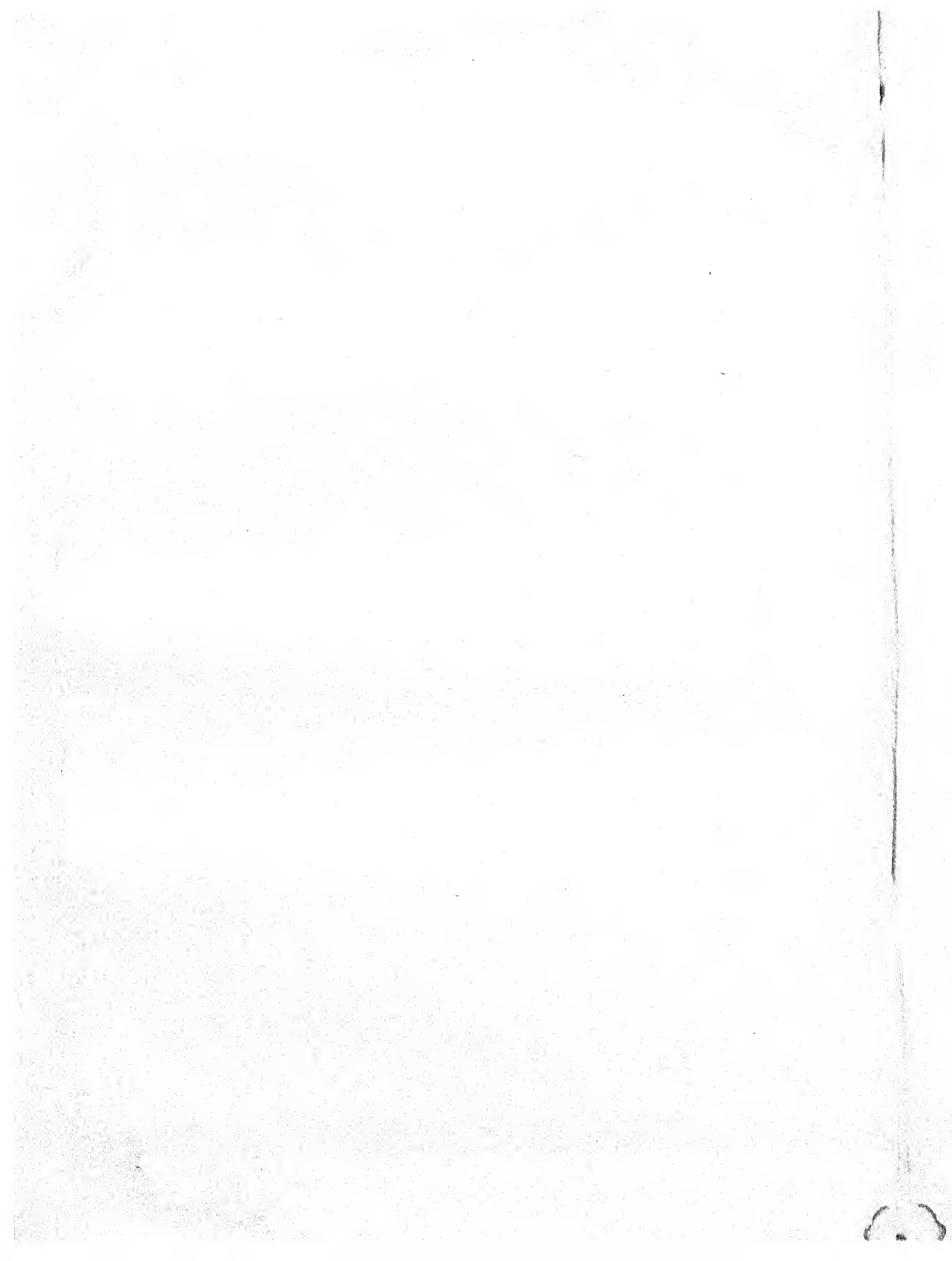
### Postscript.

The question of constitutional reforms for Malaya has been engaging the attention of the Colonial Office for some time, and a scheme was recently put forward for a Malayan Union in place of the present confusion of Crown colony government for the Straits Settlements, Federal Government for the Central States, and Advisers' regimes for the Unfederated States; the proposals in this connection were further clarified and published towards the end of 1946. The scheme does not seem to have found much favour either with the Malaysians or with the Chinese and Indian immigrant population.

The main point in favour of the Scheme is that it provides for the first time for effective centralized administration and common citizenship for all the races of the country—Malayans, Chinese, Indians and others. This was a reform for which younger elements in the administration and the liberal professions had long been pressing. It means the elimination of some feudal elements in the country's government; henceforward, all races would be put on an equal basis, and the way would be open for industrialisation and reconstruction. But even from the point of view of the unity of Malaya, much



of its value has been detracted by the separation of Singapore from the Union. The scheme is being opposed for other reasons also, principally by the Malayan Nationalist Party and organised labour. These groups maintain that the benefits of the scheme are purely administrative ; that it contains no recognition of the need for popular Government ; and that such representative institutions as are provided would do little more than allow vested interests of one sort or other to put their case to a Government whose official votes ensured its domination. These groups also repudiate the Colonial Office's version that the proposals were promulgated after consulting 'representatives' of Malaya ; the Colonial Office, they point out, consulted only the Rulers of the various States and the United Malayan National Organisation which is described as 'an agency of the titled aristocrats and princelings, a sort of King's Party, not representative of the masses'. Other points of criticism are : authority is for all practical purposes centralised in the hands of the British High Commissioner, and of the British Advisers to the Rulers whose right 'to advise' extends to every sphere of administration except religion and Malayan custom ; that the people come in only indirectly through a Legislative Council to which persons supposed to be people's representatives are to be nominated ; that even this indirect representation is too small ; that in the result Malaya will be run even in the new epoch as an Anglo-Sultanates Condominium ; and that the rules governing the earning of citizenship rights in Malaya will render it very difficult for large numbers of Asian immigrants in the colony to get domiciliary certificates.



# LABOUR IN INDONESIA <sup>1</sup>.

## Summary.

VARIED natural resources in the Netherlands Indies have given the Islands an important position in world trade. As exports have increased, larger proportions of the Indonesian people have obtained wage-paid employment ; growing numbers of small landholders have also secured a money income through the sale of export products, such as cinchona and rubber. Of the 60,727,233 inhabitants in 1930, 97.4 per cent. were of native stock ; 2.0 per cent. were Chinese ; 0.4 per cent. European ; and 0.2 per cent. other non-indigenous Orientals.

During 1938, unskilled factory labour in various parts of the Islands earned about Fl. 0.35 to Fl. 0.40 daily. In terms of the par value of the florin in United States money, before either currency was devalued, the daily pay was 14 to 16 cents. Money wages were higher at that time than in the middle 1930's, when pay was reduced as a part of the programme of adjustment made necessary by the international depression, which affected the Indies seriously. An 8-hour workday was common in industry. Agricultural workers were employed for either shorter or longer hours, depending on individual crop requirements and on whether or not the labourers worked part-time and cultivated land of their own in addition.

An important phase of the effort to solve the serious overpopulation problem in Java was the introduction in the 1930's of a drive for industrialization. The growth of industry and the troubled international situation led to the introduction of various public controls. Owing to the difficulty of legislating for native workers, who were often employed in remote areas and small enterprises, wage and hour regulation was slow in being introduced. A system of workmen's compensation was maintained. Late in 1940 a labour-relations law was enacted. Failure of the Japanese to secure expected benefits from Indonesian labour and resources led the military government to introduce a labour draft early in 1944.

## Natural Resources

The Netherlands Indies, situated on the equator between the Asiatic mainland and the Philippines on the north and Australia on

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<sup>1</sup> Reprinted, with the kind permission of the Bureau of Labour Statistics, U. S. Dept. of Labour, from the Monthly Labour Review, May, 1944.

the south, possess a great wealth of raw materials as well as the agricultural productivity of the tropics. Abundant rainfall and the largely volcanic soil make the islands of Java and Sumatra extraordinarily fertile. The varied natural resources supplied a high proportion of certain world exports : 90 per cent. of the cinchona bark (the source of quinine) ; 85 per cent. of the paper ; 82 per cent. of the kapok ; nearly 40 per cent. of the rubber ; 30 per cent. of the coconut ; 25 per cent. of the hard-cordage fibre ; 24 per cent. of the palm-oil products ; and 17 per cent. of the tea. Other important products are tobacco, sugar, coffee, and teakwood. Twenty per cent. of the world's tin output and 3 per cent. of the petroleum originated in the Islands in peacetime, and in 1938-40 coal production aggregated  $1\frac{1}{2}$  to 2 million metric tons annually. The high-quality iron-ore deposits were not yet exploited.

Large estates, established with western capital, and independent native producers supplied different raw materials in varying volume. In 1939, the large estates numbered 2,401 and had a total land area of 6,165,145 acres. Individual estates averaged 2,249 acres each in Java and 2,879 acres in the Outer Islands. Of the total land area held by estates, on the average, about one-half was cultivated ; their output constituted nearly two-thirds of the exports, by value. In Java less than 8 per cent. of the land was held for estate agriculture and the rest was worked by native Indonesians ; in Sumatra the proportion of land cultivated by estates was lower than in Java ; and on other islands it was even less important or was non-existent. The western estates predominated in producing sugar, palm-oil, tea, cinchona, and hard fibres. Before the present war, the share of exports and domestic production supplied by native farmers on small holdings was on the increase. Java's output was the most important in volume and range of crops. However, native farmers in many districts in Sumatra, Celebes, South East Borneo, Bali, and Lombok also contributed. One-half of the rubber for export and a large part of the coffee, corn, and tapioca were produced by the natives ; kapok was chiefly an Indonesian product ; and pepper, copra, and coconut oil were raised almost entirely by the native planters.

The estates, the natives, and the Government tended to concentrate on certain types of production. Output also varied from island to island, depending on natural resources, natural conditions, and probably custom.

Cinchona was mainly an estate crop and came chiefly from the western part of Java and several districts of Sumatra. Rubber was produced in equal shares by natives on small plots of land and by estates in Sumatra, the western and south-eastern parts of Borneo, and several districts of Java. The tin mines were largely owned or controlled by the Government and were located in Banka, Billiton, and Singkep. Rice was grown chiefly in Java. Java's position as the greatest producer of export crops from native holdings and foreign estates combined had been weakened in recent years by the rise in output from the Outer Islands. For example, between 1920 and 1940 Java's sugar-exports declined from 48 per cent. to 6 per cent. of the Indies total. In the same period the combined value of rubber, tin, and petroleum exports, mainly from the Outer Islands, rose from 27 to 66 per cent. of the total exports.

### Government of Indies.

Responsibility for developing the Islands was given to the United East India Co. by the Netherlands Government in 1602. The powers to govern and pave the way for colonization were broad but, in practice, the acquisition of territory was incidental to commercial objectives and the company did not aspire to rule the native peoples. After the company failed in 1800, the Netherlands Indies became a colony and had colonial status until 1922 when the islands were declared to be an integral part of the Kingdom of the Netherlands. Between the last and present wars significant progress was made in the growth of Indies political autonomy. When the home country was invaded in May 1940, the political self-sufficiency of the islands was enhanced still further. Increasing responsibility was placed on the Indies administration by the Netherlands Government-in-exile from May 1940 up to the Japanese invasion. The invasion period prior to the Japanese occupation was brief, lasting for only a month—from February 9, 1942, when Batavia was first bombed by the Japanese, until March 10, 1942, when Bandung (the temporary capital) fell).<sup>2</sup> In September 1943, announcement was made that the Netherlands Indies administration would be stationed in Australia, ready to move into the islands on short notice at the end of hostilities.

2. As internal conditions were affected from the outbreak of the European war in September 1939, and not merely from the date when war was declared on Japan, the present article sometimes refers (in discussing the pre-war period) to the period ending with August 1939.

The legislative body of the Islands, the Volksraad or People's Council, was established in 1918. The Speaker was appointed by the Queen of the Netherlands. Membership included 30 Indonesians, 25 Europeans, and 5 Chinese or Arabs; 38 members were elected, and 22 were appointed from sections of the community that did not have sufficient votes to obtain seats. Decisions of the Volksraad were subject to reversal by the Governor General of the Indies, and the States-General in the Netherlands had constitutional authority to legislate on matters affecting the entire realm. Such powers were seldom used.

Administration of Java and Madura was reorganized in the middle 1920's when the Islands were divided into three autonomous Provinces under governors and subdivided into residencies governed by official residents and their assistants. In Surakarta and Jogyakarta (native States of Java) and in Madura, where native princes still maintained their power, governors handled relations between the Indies Government and the rulers. The Outer Islands were divided into three areas under governors and were subdivided into 17 residencies. In recent years plans were placed in partial operation whereby greater local authority was to be granted over internal affairs. Native princes in certain parts of the Outer Islands also retained limited power within their realms, acting under the general supervision of Government officials. In 1930, inhabitants of the native States formed from 9.9 per cent. of the total population in Java and Madura to 63.7 per cent. in Celebes.

After the invasion in 1942 the Japanese followed their usual technique in conquered countries of appealing for support on racial grounds and of making elaborate promises of "co-prosperity". Public officials who had remained at their posts to carry on the administration were interned. A military government was established; a so-called "economic mission" was made responsible for the non-military services. "Economic troops" were to reorganize local life and to run industrial plants, such as public utilities, but were subservient to Kempei, the police force. Under this arrangement important persons, including technicians, were interned, in spite of having been designated by the economic troops as essential workers. Kempei eventually released some but not all of these persons. Later the Japanese began to prepare for establishment of a complete central administration, including departments for general affairs, finance, and industry, transport, police, and information, but omitting education which



has come to be regarded by the Indonesians as essential to their development. Such advisory functions as the natives are permitted to exercise are for the benefit of the enemy's war effort. The reorganization of the country under a new industrial council headed by Japanese has the same purpose. Japanese who lived in the Indies before the invasion were drafted to help reorganize industry.

### Employment and Unemployment.

#### POPULATION AND POPULATION PROBLEMS.

When the 1930 census was taken, 97.4 per cent. of the population was of Indonesian stock—59,138,067 persons in a total of 60,727,233. The significance of the non-native population was out of proportion to its numbers. Chinese inhabitants totalled 1,233,214 or 2 per cent., other non-indigenous Orientals 115,535 or 0.2 per cent. and Europeans 240,417 or 0.4 per cent.<sup>3</sup> Of the 240,417 persons classed as European for census purposes, 87 per cent. were Dutch, 3 per cent. German, 3 per cent. Japanese, and 1 per cent. British; no other nationality had over 1,000 representatives. The distribution of the population is given in table 1, by nationality and geographic area. By 1941, the Indies had an estimated 72,000,000 inhabitants, of whom 49,000,000 were in Java.

TABLE I.—*Population of Netherlands Indies, 1930, by Nationality and Geographic Area*

Population group	Number			Percentage distribution		
	Total	Java and Madura	Outer Islands	Total	Java and Madura	Outer Islands
All groups.....	60,727,233	41,718,364	19,008,869	100.0	100.0	100.0
Natives .....	59,138,067	40,891,093	18,246,974	97.4	98.0	96.0
Europeans.....	240,417	192,571	47,846	.4	.5	.3
Chinese.....	1,233,214	582,431	650,783	2.0	1.4	3.4
Other non-indigenous Orientals....	115,535	52,269	63,266	.2	.1	.3

<sup>3</sup> The term "European" includes all European-born inhabitants and all persons subject to Dutch law, i.e., Occidentals, Eurasians, and Japanese, and some 9,000 natives who voluntarily acquired Dutch legal status.

Western civilization was the third foreign civilization to be superimposed on the Indies, having been preceded by Hinduism and Islamism. Hindu culture and the Mohammedan religion were adopted by the population, and the influence of the Occident changed the economic life. Native Indonesians are largely of Malay stock; only New Guinea and adjacent islands are occupied by Papuans and allied groups. At the time of the 1930 census, the Javanese comprised the largest group of natives, totaling 27,808,623 or nearly half of the popu-

lation; the Sundanese numbered 8,594,834; and the Madurese followed with 4,305,862. Four other native races—Menangkabauers, Buginese, Battak, and Balinese—numbered between 1 and 2 million each. The bonds of common interest are still mainly those of the tribe or the village. Dutch is the official language. Native tongues are chiefly Malay, Sundanese, and Javanese but, altogether, approximately 250 languages are in daily use, of which some are spoken by millions (Javanese, for example) and others by a few hundreds. In 1930, only 2.2 per cent, of the natives were literate, but the educational programme, which was popular with the Indonesians, doubtless raised this proportion.

The land area of the islands (which is five times that of Japan) and the distribution of the population in 1930 are shown in the accompanying tabulation:

	<i>Area (square miles)</i>	<i>Population</i>
Total.....	733,681	60,727,233
Java and Madura.....	50,752	41,718,364
Sumatra.....	163,145	8,254,843
Dutch Borneo.....	206,819	2,168,661
Other Islands of Archipelago.....	312,965	8,585,365

With one-fifteenth of the land area, Java and Madura had over two-thirds of the population in 1941. Most of the large cities are on the island of Java. Batavia (Java), peacetime capital of the Indies, was also the largest city and had 533,000 inhabitants in 1930—410,000 Indonesians, 79,000 Chinese, 37,000 Europeans, and a small number of others. Next in order of size in Java were the cities of Surabaya (341,675), Semarang (217,796), Bandung (166,815), Surakarta (165,484), and Jogyakarta (136,649). Palembang (108,145) was the largest centre on the Outer Islands. Over 90 per cent. of the natives lived in rural areas in Java and the Outer Islands. Europeans were concentrated in urban areas, and in 1940 almost half of them were residing in 7 cities. The Chinese were distributed fairly evenly between urban and rural areas in Java; elsewhere, nearly 70 per cent were in rural areas. The rural-urban distribution of the other non-indigenous Orientals resembled that of the Chinese.

In Java, a density of 950 persons per square mile—the highest density outside the Nile delta—and an annual population growth of 750,000 created a serious problem. By 1941, Java had more inhabitants than the whole of the Netherlands Indies had in 1920. Between 1890 and 1940, this island with a predominantly agricultural

economy grew at as fast a rate as industrialized England and Wales. Study showed that Java could not provide sufficient arable land to support the annual population increase and therefore the Indies Government encouraged migration to other islands, increased industrialization, and improved agricultural techniques. Although emigration was hampered by the disinclination of natives to leave their homes in Java, the rate of migration was increased from 20,000 in 1937 to 53,000 in 1940. The growth in industrialization is discussed in another section of the present article. Improved irrigation of the rice fields exemplified the measures for raising agricultural output.

#### TREATMENT OF SPECIAL EMPLOYMENT PROBLEMS.

*Contract labour.*—Beginning in 1880, successive ordinances were promulgated governing employment contracts of workers recruited in overcrowded Java and Madura for work in the sparsely settled Outer Islands where labour shortage was a continuing problem. Severe penal sanctions were established under the terms of these "coolie ordinances," in an effort to insure that labour recruited from other districts would remain at work in the Outer Islands for the term of contract, thereby protecting the employers' interests and insuring a working force. Labour employed under the penal sanctions had offsetting advantages. Provisions of the ordinances established maximum hours, limited the duration of contract to 3 years, and required employers to furnish free lodging and medical care for the period of the contract and free transportation home upon its termination. In practice, the terms of employment prescribed for penal-contract labour set the standard for so-called free-contract workers employed in the same area, whose conditions of employment were not governed by law. Free labour's only advantage over contract labour subject to the coolie ordinances was freedom from penal sanctions for breach of contract. In many respects free workers were not as well off.

In 1931, the Government took the first step toward abolition of penal sanctions. By an ordinance adopted in that year and supplemented in 1936, employers in the Outer Islands were required to engage a gradually increasing proportion of free workers. By 1939 employees under penal sanctions in the Outer Islands numbered 6,531 as compared with 327,405 free workers. Late in 1941 penal sanctions were abandoned when the coolie ordinances were repealed.

Methods of recruiting native labour in Java for employment in the Outer Islands were changed by an order promulgated in 1936. The new measure, covering recruitment of penal-sanction and free labour provided that the prospective employee must appear at the port of embarkation and sign a written contract of employment in the presence of the appropriate official, after the latter made sure that the recruit understood the terms of the contract. If the worker refused to sign, the recruiting body or the employer was liable for payment of the worker's return transportation to his home. All professional recruiting was forbidden and the function was entrusted to agencies especially established by employer associations and approved by the Department of Justice. Interested groups look forward to the time when sufficient permanent workers will have been added to the labour force of the Outer Islands to make recruitment from Java unnecessary.

*Forced labour.*—Forced labour, as differentiated from the above labour performed for wages under contract and subject to penal sanctions, originated in the Netherlands Indies because large numbers of natives lived by barter and their only means of fulfilling their tax obligations was to perform labour. Work could be required by the Government on the public domain and also by the owners of certain private lands. Theoretically, the native taxpayer has had the option, with exceptions, of substituting a fixed number of days of work annually for the payment of taxes. In practice, the Indonesians have been forced to perform compulsory labour either because they did not have sufficient money to pay the assessments or because paid voluntary labour was not available for Government works. Except in the case of an inadequate labour supply officials have emphasised the right of the taxpayer to choose between payments in labour and in money.

Forced labour on directly administered Government lands was first abolished in Java and Madura, where the inhabitants were in better position to pay taxes in cash and where the labour shortage was less acute. In 1938, the wage and labour situation had improved sufficiently in the Outer Islands to enable the Government to grant residents the right to pay taxes in money instead of performing forced labour. Compulsory work could no longer be required even when the supply of labour was inadequate to carry out public projects. Voluntary substitution of work for taxes in the Outer Islands was reduced under the terms of the Road Tax Ordinance in 1941. Persons

whose living standards exceeded a certain level (to be fixed by public decree for the residency or area) were required to pay the tax in cash, others were given the option of paying their taxes in cash or of doing work for the improvement of public roadways.

On some private lands (*particuliere landerijen*) owners retained extraordinary powers up to the outbreak of the present war, including the right to require the performance of labour. Most of the private lands were located in West Java. Between 1910 and 1931, large sums of public money were expended to expropriate the private lands, thereby giving labour employed on such land the same status as workers on the public domain. After the depression started, a semi-official limited company was formed to purchase the remaining private lands. By 1937, some progress had been made in the purchase of the remaining estates but the programme was incomplete.

#### OCCUPATIONS OF THE LABOUR FORCE

The most recent Indies census shows that of a total population of 60,727,233 in 1930, 34.4 per cent. were gainfully employed. Of the total number of males, 48.5 per cent. were so occupied, and of the females, 20.6 per cent. Distribution of the population by nationality and occupation is indicated in table 2.

TABLE 2.—*Number of Persons in Netherlands Indies Reporting a Pursuit, Classified by Nationality and Occupations, 1930*

Occupational classification	Total	Natives	Europeans	Chinese	Other non-indigenous Oriental
Total .....	20,871,050	20,279,642	85,321	469,935	30,152
Production of raw materials .....	14,363,846	14,193,158	18,800	144,888	7,000
Industry .....	2,208,851	2,105,129	4,675	93,988	5,053
Transportation .....	316,191	290,740	10,985	12,754	1,712
Trade .....	1,293,316	1,090,868	11,415	171,979	19,054
Professions .....	169,520	150,227	11,290	7,161	842
Government service .....	516,176	491,911	20,731	3,039	495
Other occupations .....	2,003,150	1,957,609	7,424	36,136	1,991

In general, the natives from the agrarian group, the Chinese and Arabs the commercial middle class, and the Westerners the small ruling class. Of the 20.3 million natives who reported an occupation in 1930, agriculture accounted for approximately 60 per cent.; as an occupation, agriculture had greater importance in the Outer Islands than in Java, where more of the natives worked in industry or the production of raw materials other than agricultural products. Europeans

were less concentrated in one occupation, the largest single group—24 per cent.—were engaged in Government service and public administration (including the Army and Navy) and smaller groups were in the professions and business management. Gradually some Europeans filled positions as employees on estates and in business, and, as industrialization developed, increasing numbers were employed as technicians and skilled workers. The 470,000 Chinese having gainful occupations in 1930 were also distributed relatively evenly for the group as a whole, those in primary production and commerce forming the largest percentages. However, a preference for business characterised the Chinese in Java and Madura, where there was little room for them to engage in agriculture, in the Outer Islands a larger percentage were agricultural workers, producing raw materials on the estates and in mining enterprises. Very high proportions of the non-indigenous Orientals other than the Chinese were in commercial occupations, about 53 per cent. being engaged in trade, usually as middlemen; many of these were Arabs. In the Outer Islands their pursuits were more diversified than in Java.

The natural resources of the islands and the native crafts developed during the centuries have determined the skills of the peoples to a large extent. Thus, from long experience, labour has learned how to gather and treat cinchona bark and rubber. Native handicrafts, particularly metal and woodworking, and textile spinning, weaving, and batik design, are old crafts which have been prevented from dying out because of their suitability to local use, the inability of Western industry to compete in price, and, in some instances, Government encouragement. New skills developed in recent years, incidental to the spread of modern industry, are largely those utilized in factory production of textiles, foodstuffs, and the making of apparel. Trained labour was also employed in a variety of mining enterprises. At present, Indonesians are being trained in Australia as skilled craftsmen, such as carpenters, joiners, smiths, and masons. The skilled workers are to follow the troops into the Indies as they are reconquered and begin the work of rebuilding.

#### INDUSTRIALISATION.

Although the Netherlands did not follow a policy of opposition to colonial development, little industrialization occurred in the Indies



during the first 3 decades of the present century. A few industries had been developed for the exploitation of mineral resources and the preliminary processing of certain agricultural products, but altogether the number of persons recorded as employed in 1930 in industries other than mining total only 10.6 per cent. of the entire working population. The ratio in Java and Madura was slightly higher than the average for all the islands. Java's predominance in the industrial employment of the Indies ranged from 70 per cent. of the total employed in the metals branch to 83 per cent. in apparel manufacture.

In the early 1930's, when the effects of the depression were being felt very severely in the Indies, the Government initiated a drive for industrial development. A far-reaching programme of technical education was adopted; natives were trained for revival of weaving and dyeing; exhibitions, demonstrations, technical research, and finishing centres were instituted; and, after a long-established policy of free trade, a tariff system was inaugurated. The aim was to stabilize the islands' military and economic position—by relieving unemployment, lessening the islands' dependence on imported manufactured goods, and shutting out the increasing volume of Japanese imports—without altering the agricultural character of the Indies, nor its fundamental role as an exporter of raw materials.

Indonesian activity developed very rapidly and European capital established a number of important factories. From 1930 to 1940 the number of factories and workshops, excluding small or home industries and those connected with agricultural industries, increased from 2,837 to 4,872—a 71.7 per cent. rise. Java remained the centre of industrial activity although several important plants were established in the Outer Islands. The official estimate of workers engaged in industries using mechanical power in 1939 was 300,000. No comparable information was available for workers in small-scale industries and estimates varied greatly, ranging from 600,000 to over 2,000,000, depending on whether or not cottage industries—a very numerous and important group—were included. At that time the largest numbers of workers were employed in the food, metal, and textile (weaving only) industries.

The assistance given by the Government to industrialization led to such a degree of activity that regulation was needed, and in 1934 the Government was given authority to regulate the growth of certain branches of industry. The development of established industries

might be controlled and new ones might be created. A permit was required for a new plant and its location could be specified ; certain minima as regards wages and other labour conditions might be imposed. The power was used to prevent destructive competition, safeguard native industry, and limit Japanese participation in the industrial life of the country. The measure has been applied principally in weaving, printing, ice and cigarette factories, dock and stevedore establishments, and rubber and rice mills. Advisory boards were established for each branch of industry to which the ordinance was applied ; a general board advised the Government on policy-framing measures at the top. On these boards factory and small-scale industry, consumers, and the Government were represented.

The advent of the present war in 1939 lent impetus to industrialization. Both heavy and light industries were encouraged by the Government. The number of establishments did not increase greatly during 1940, but the output of existing factories rose substantially. Employment expanded 12 per cent. and industrial machinery 4 per cent. during the year. In 1941, new capital became available for investment in the Indies, both by Government allotment and as a result of the occupation of the Netherlands. Government allotment was provided for the implementation of a plan for greater industrial development and for extension of the establishment of basic industries. The new industries were to be used for training native labour, with reasonable wages assured to the workers and exorbitant profits prohibited. By the beginning of 1942 the plan was in operation and employment had been furnished to some 40,000 natives.

#### TREND OF UNEMPLOYMENT, 1928-1941.

The Netherlands Indies experienced marked prosperity during the early and middle 1920's ; but the economy was to a high degree inter-related with and dependent on that of foreign nations, as production and export of raw materials were the Islands' chief activities. Accordingly, reduction in the purchasing power of the western manufacturing countries caused the depression to be felt very quickly in the Indies. By 1931 there was great unemployment among both Europeans and natives, although the latter suffered less since there was enough food among them to prevent hunger and they could always return to their villages. As the situation grew worse—especially in Java where many unemployed

plantation labourers had returned from Sumatra—the depression spread from the basic agricultural industries to the industry and commerce of the country, and finally to the retail trades. In 1935, conditions began to improve. Various Government measures were taken, including devaluation of the currency in September 1936; this was followed by a short period of prosperity. After a temporary setback in 1937, improvement continued and the number of unemployed decreased steadily through 1941. The first effect of the outbreak of the European war was an increased demand for labour, particularly for Sumatra rubber plantations. Registered unemployment dropped from 25,267 in 1936 to 18,603 in 1940 and to 15,636 in 1941.

#### UNEMPLOYMENT AFTER THE INVASION.

Invasion and the accompanying loss of markets caused a disastrous break-down in the Indies economy, and large numbers of workers in the export industries lost their jobs. The Japanese were unable to return the disorganized country to full production for several reasons. Shipping shortages prevented the importation of necessary materials, such as cotton goods; previously available markets were closed; the Japanese were permitting extraction of only those raw materials useful to the war effort; the "scorched-earth" policy of the departing Dutch was apparently highly effective; and consumers lacked purchasing power to buy goods that might have been produced from domestic materials. Unemployment spread rapidly to workers engaged in producing for domestic use.

The military government has taken a number of steps to remedy the situation but, so far, efforts have been unsuccessful. According to all reports, economic disorganization, privation, and unemployment are prevalent in the Indies.

#### *Control of Labour and Industry.*

Prior to the periods of depression and war during which State control increased to such a large extent, Government intervention in industry was confined almost entirely to the ownership or control of various enterprises such as public utilities and a number of mines and estates. To protect native interests, the prohibition of the sale of land by natives to non-Indonesians was an established Government policy

which had been in practice for a number of decades. Extensive irrigation projects were of special importance in view of the natives' dependence on the rice crop.

#### DEPRESSION CONTROLS.

The depression struck the Indies with great force, as already noted, and exports and imports as well as prices declined. When many thousands of workers were dismissed and wages were cut, the Government stepped in. Many of the Government measures dealt with the problem of unemployment among Europeans (using the term in the broad sense, as already defined). On public works, which formed an important phase of the Government's unemployment programme besides being of permanent value, employment was limited to European unemployed, and to natives and Chinese assimilated into the European population. Similarly, relief, which was regarded as primarily a matter for private initiative with the Government undertaking only to supplement popular subscription, was limited to the same classes. Two crisis measures were passed in 1932, dealing with the treatment to be accorded to employees (chiefly Europeans) on their discharge. The first established the right of a discharged employee to repatriation at the expense of the employer or a payment equivalent to 3 months' wages. The second provided periods of dismissal notice, according to length of service, for employees on indefinite contract. In 1935, restrictions were placed on the immigration of Europeans, and an employer was required to obtain a permit to employ any such alien before he was allowed to enter the Indies. The permit was refused if an unemployed Netherlander was available to fill the job. In 1937, the measure was made more permanent and coverage was broadened to include non-indigenous Oriental immigrants.

Action was taken to reduce the general unemployment. The official body for combating unemployment was Maatschappij voor Werkloosheidsbestrijding (known as M. W. B.), a legally incorporated organization controlled and financed by the Government. In addition to the industrialization and migration measures already discussed, the three main lines of attack were the operation of an employment service, the extension of unemployment relief, and the maintenance of trade schools.

Other measures, relieving unemployment only indirectly, were

taken to achieve a more stable base for the Indies economy in future years. For example, new enterprises were assisted, imports were restricted by quota, and international agreements were entered into, controlling the production of export goods such as sugar, rubber and tin.

#### WARTIME CONTROLS.

The depression measures for direction of the economy were temporary, but the approach of war necessitated the strengthening of these controls. In September 1939, the prices of a number of commodities were fixed, although stringent control of domestic price levels was not considered necessary before the Japanese invasion. The Government also bought and stored some surpluses resulting from the cutting off of shipments of certain export products such as copra, coffee and tobacco.

In the first month of the European war, a General Authorization Ordinance empowered the Governor General to promulgate any law or regulation for defence or economic mobilization—of individuals, groups, or industry—during the emergency. Martial law was declared when the Netherlands fell and in 1940 two ordinances were issued, one relating to the mobilization of industry and the other instituting a system of compulsory service for civilians. Under the Industrial Co-operation Ordinance voluntary co-operation of all industries in the defence effort was called for, but compulsion was authorized where investigation proved it necessary. The Government was given blanket authority to supervise or conduct private enterprise so as to increase, maintain, or curtail production according to the needs of the war effort. Among the activities in which the Government could compel co-operation were the registration, employment, dismissal, and transfer of labour; the regulation of conditions of employment, production, and distribution of goods; and the conversion, unification, and expropriation of plants. The Civilian Service Ordinance provided for enlisting labour and civil services in the defence program. Compulsory service was required of civilians of either sex, 16 to 25 years of age, excluding ministers, women with dependent children living with them, and persons exempted by the Governor General.

On July 11, 1941, the Government took an unprecedented step by the introduction of compulsory military service for natives. The

measure provided for limited conscription of native males between the ages of 18 and 45 years. They were to receive the same pay as Europeans during training periods of 1 year for the Army and  $1\frac{1}{2}$  years for the Navy. On the whole, the measure was welcomed by the natives, especially since it guaranteed them the same treatment as Europeans.

#### JAPANESE CONTROLS

One of the first measures taken by the Japanese was the registration of fishermen. Then, in April 1942, a decree was promulgated requiring the registration of all "foreign" residents (except Japanese) over 17 years of age. In spite of penalties for failure to register, the response was small. The Indonesians failed to co-operate in many other ways, and the Japanese resorted to a labour draft for the shipyards and other essential war industries and also for rebuilding roads and bridges. Finally, in October 1943, the vaunted "co-prosperity" policy was abandoned and plans for a large-scale recruitment of workers were announced by Tokyo, foreshadowing the use of compulsion and, later, the general extension of the labour draft.

Almost immediately after the invasion, rice was put under a price ceiling in an effort to curb rapidly growing price inflation. Other commodities have been brought under price control, but the measures taken have not been effective and prices are readjusted periodically. Rationing is extended from time to time. Black-market operations are continuous.

In trying to deal with the disorganization and unemployment in the Indies after the invasion, the military government has transferred workers from Java to Borneo and plans further transfers to Borneo and Sumatra on a pretentious scale. A movement for intensification of industrial production in Java has been launched; small industries and village industries such as papermaking, spinning, and gardening are to be encouraged.

#### Wages and Hours of Labour

##### GENERAL TREND OF WAGES AND COST OF LIVING

Any discussion of wage-paid labour in the Netherlands Indies



necessarily deals with a relatively small part of the working population. Natives living by barter or through the sale of raw materials produced on their own small holdings are more important numerically. For many of these workers, who were profoundly affected by world conditions in the decade before the present war, it is not possible to trace the effects in statistical terms. Even for wage-paid employees data on earnings and buying power are fragmentary.

During 1938, unskilled factory labour in various parts of the Islands had daily wages of about Fl. 0.35 to Fl. 0.40. In terms of the par value of the florin, which equalled 40.20 cents in United States money, before either currency was devalued, the daily pay was 14 to 16 cents. Wages were higher in 1938 than they had been in the early and middle 1930's. when pay was reduced as a part of the program of adjustment to depressed economic conditions.

Lowered earnings in this depression period would have had more serious effects on the workers if living costs had not dropped at the same time. In Batavia, the only city for which cost-of-living indexes were issued, the decline in living costs was as follows.

	<i>Cost-of-living index</i>		<i>Cost-of-living index</i>
1929	.. 100	1938	53
1932	.. 62	1939	53
1935	.. 52	1940	55
1936	.. 49	1941	61
1937	.. 53	1942 (January)	.. 66

The reduction of more than a third in the composite index for Batavia between 1929 and 1932 was smaller than for food prices alone, which declined about one-half in the same 3 years. In 1936, before the currency was devalued in September, the cost-of-living index reached its lowest point (49).

Under the stimulus of devaluation, improved trade, and impending war, living costs rose slightly between 1937 and 1939. Pressure was brought on employers by labour and the Government for pay increases to offset rising prices and to pass on to workers some of the profit accruing from business. Scattered information shows that pay increases of 10 to 30 per cent were authorized in 1936 and 1937. Living costs in Batavia rose sharply in 1941 (index 61) and 1942 (index 66). No data are available showing the degree to which the rise was offset by wage increases.

After the Japanese invasion, the pay of workers who had earned

Fl. 0.75 to Fl. 0.80 per 8-hour day was reduced to Fl. 0.35. Reports from the Indies indicate that other wages were cut in half. The effects of wage reductions were particularly serious, owing to the rapid rise in prices. Workers received no benefit in wages from the extension of hours as no compensation was paid for overtime.

#### PRE-WAR WAGES AND HOURS

As the Indies had not introduced general systems of paid vacations, family allowances, or social insurance (except workmen's compensation) before the present war, workers lacked assured supplements to wages. Some grants were made by employers voluntarily.

*Industry.*—Pre-war wages and salaries in industry varied according to racial groups, the skills required, and the location of the enterprise. Printing establishments, electric-power stations, and various machinery plants had a high proportion of better-paid European workers, while textile plants used much Indonesian female labour—the lowest-paid group. In general, wages were higher in the Outer Islands than in Java. For example, before the invasion a common labourer in the food industry averaged Fl.8.75 monthly in the Outer Islands and Fl.6.82 in Java; in the textile industry the averages were Fl.10.46 and Fl.5.86, respectively. Observers state that living standards seemed higher in Sumatra than in Java. Sumatra had better private transportation facilities and housing, and the people were better clothed. The wage statistics here given are for 1938 chiefly.

An 8-hour standard workday and a half day on Saturdays were observed fairly generally in industrial enterprises. Overtime rates were not uniform. In some cases no extra payment was made, in others the regular hourly rate was paid, and in certain instances the overtime rate was as high as  $1\frac{1}{2}$  times the regular hourly rate.

Daily wages in manufacturing industries are given in table 3, by geographic area and occupation. The data show that the schedule of pay was lowest in the Djocja District of Java.

TABLE 3—*Daily Wages in Manufacturing Industries in Netherlands Indies, by Geographic Area and Occupation, 1938.*

Locality and Occupation	Daily Wages	Locality and occupation	Daily Wages
Padang, Sumatra:	<i>Florins</i>	Madura—Continued.	<i>Florins</i>
Unskilled day labour.....	0.40	Permanent workers—Continued.	
Skilled day Labour.....	0.55- .60	Enginemen.....	0.45-0.60
Batavia, Java:		Night stokers.....	.45- .60
Unskilled day Labour.....	(1) 06	Riveters.....	.45- .60
Ordinary day Labour.....	(1) 08	Tinsmiths.....	.45- .60
Skilled piece work:		Drillers.....	.45- .60
Light.....	(1) 12½	Miscellaneous foremen.....	.45- .60
Heavy.....	(1) 15	Firemen-locomotives and hot	
Djocja District, Java: (2) Spinners of		air ovens.....	.50- .65
coconut-fibre belting.....	.10	Timberers.....	.50- .65
Madura:		Masons.....	.50- .65
Temporary workers:		Foremen—processing stages	
Unskilled adult males.....	.15- .25	and transportation.....	.60- .75
Unskilled women and children	.05- .15	Scale foremen.....	.60- .75
Temporary foreman.....	.30- .60	Switchboard operators.....	.60- .75
Artisans.....	.30- .60	Assistant engineers.....	.60- .75
Engineer—small locomotives	.40- .60	First-class watchmen.....	.60- .75
Enginemen at pump stations	.30- .60	Inspectors, processing.....	.70- .90
Oilers.....	.20- .45	Locomotive drivers.....	.70- .90
Watchmen.....	.20- .35	Operators—machine tools,	
Sluice watchers.....	.25- .35	rough work.....	.70- .90
Processors.....	.20- .35	Head foremen.....	.80-1.10
Permanent workers:		Coppersmiths.....	.80-1.10
Apprentices.....	.15- .35	Engineers.....	.85-1.15
Coolies.....	.25- .35	Second-class welders.....	.85-1.15
Switch watchers.....	.30- .40	Electro-technicians.....	.85-1.15
Sluice watchers.....	.30- .40	Chief watchmen.....	.85-1.15
Laboratory janitors.....	.30- .40	Chaufeurs.....	.85-1.15
Office messengers.....	.30- .40	Operators—machine tools	
Polishers.....	.30- .40	precision work.....	1.00-1.30
Bridge watchers.....	.35- .45	Chief timberers.....	1.00-1.30
Painters.....	.35- .45	Chief masons.....	1.00-1.30
Press operators.....	.35- .45	Blacksmiths.....	1.00-1.30
Telephone operators.....	.35- .50	Supervisors—rolling material	1.50-2.00
Handymen—power station,		First-class welders.....	1.50-2.00
workshop, scales, storeroom	.35- .50	Smiths.....	1.50-2.00
Labourers—drying apparatus	.35- .50	Supervisors—machine-tool	
Second-class watchmen.....	.40- .55	operators.....	1.50-2.00
Mail carriers.....	.40- .55	General supervisors of work-	
Storeroom clerks.....	.40- .55	men.....	1.50-2.50
Oilers.....	.40- .55		

(1) Hourly wages.

(2) Data are for June 1937.

Oil-industry employees in North Sumatra had daily rates of pay in 1938 ranging from Fl. 0.48 for unskilled labour to Fl.2.50 for Chinese artisans, such as carpenters and fitters. The hourly schedule for oil workers in South Sumatra was Fl.0.07 for unskilled native coolies and Fl.0.12 for Chinese helpers; workers of the highest skills—both Chinese and native—received Fl. 0.42 hourly. On the basis of an 8-hour day (the prevailing workday except on Saturdays, when a half day was worked), Chinese helpers in South Sumatra were paid Fl. 0.96 and unskilled native coolies Fl.0.56. Both these rates exceeded the pay, shown above, for unskilled labour in the oil industry of North Sumatra. Skilled labour also received higher pay in South Sumatra (Fl. 3.36 for 8 hours) than in North Sumatra (Fl.2.50) in the period and workings for which statistics are cited.

On Government-owned railroads in Java average monthly salaries in 1938 ranged from Fl.40 for apprentice engineers on steam trains to Fl.490 for terminal chiefs. Employees had civil-service rating and were entitled to pensions, leave, medical attention at reduced rates, and cost-of-living and marriage allowances.

Street-railway workers in the city of Batavia were paid by the day, at rates of Fl.0.30 for unskilled labourers, Fl.0.80 to Fl.1.20 for motor-men and Fl.1.50 to Fl.2.00 for first-class artisans.

*Agricultural.*—In peacetime, agricultural workers and those engaged in gathering and preparing certain native products, such as cinchona, copra, and rubber, often received a part of their wages in kind. Payment included low-priced or free food, housing and medical care. On large agricultural estates perquisites sometimes included a daily meal, a specified number of free banquets annually, and amusements, including motion pictures. Another characteristic of the employment relation was the prevalence of part-time work in areas where the native employees operated small holdings of their own in addition to the work they performed for wages. Owing to this practice and to the requirements of certain processes, working time was not uniform in a given type of production or in a particular locality, but ranged from 4—6 to 10—12 hours a day. Much of the work was highly seasonal, as for example, on the cinchona estates where employment was furnished for only 4 months a year.

One-tenth of a florin seems to have been the lowest daily wage. Bantam was the only area where male workers received this rate (for the preparation of copra). In the Buitenzorg Residency, the same payment was made to native women and children employed in tea gardens for a part of the day. A slightly higher daily rate, Fl.0.12, was paid to female workers engaged in the preparation of cinchona in West Java (1937) and to women employed in tapping rubber in the Buitenzorg Residency. Women and children tea sorters in the Buitenzorg Residency received Fl.0.12 to Fl.0.15.

Minimum as well as other rates of pay for males tended to be higher than for females. For example, in preparing cinchona bark in West Java, males received Fl.0.23 a day as compared with Fl.0.12 for females; in harvesting, the daily rates were Fl.0.35 and Fl.0.23, respectively. Male workers in the palm-oil and other products industry on Sumatra's east coast were paid rates ranging from Fl.0.30 to Fl.0.32 daily and female employees Fl.0.25 to Fl.0.27.

In factories processing agricultural products, wages tended to be higher than in direct agricultural employment. Tea-factory male labour in the Buitenzorg Residency was paid Fl.0.30 to Fl.0.45 a day, depending on skill. Male clerks and foremen received Fl.0.50 to Fl.0.80, and carpenters, masons, enginemen, and truck drivers earned Fl.0.60 to Fl.1.00, according to skill.

## Regulation of Working Conditions

### PRE-WAR REGULATION

Except as the Netherlands Indies Government legislated for the control of native contract labour under the coolie ordinances and had the responsibility for labour standards in varied Government-owned utilities and in industrial enterprises, the authorities were slow in regulating working conditions. The influence that the standards in Government enterprises might have had on private industry was minimized by the policy of regarding the wage scales as confidential, as, for example, in Government mines.

Provisions of the coolie ordinance of 1931 required employers to pay "sufficient" wages for the normal necessities of life and limited the workday to 9 hours in surface employment and  $8\frac{1}{2}$  hours when work was carried on partly or wholly underground. When the ordinance was amended in 1936, overtime pay at  $1\frac{1}{2}$  times the regular rate was prescribed. Compulsion to observe these standards was removed in 1941, with the repeal of the ordinance.

Comprehensive legislation (*Assistentenregeling*) affecting a particular group of European employees was passed in 1921. Conditions of employment for assistants (European managerial staffs) on agricultural estates on the east coast of Sumatra were made subject to regulation effective in March 1922. Employers were required to enter into individual contracts with assistants working directly under management, with certain exceptions such as foremen and contractors.) Each contract was to state the monthly salary of the assistant, perquisites, the part of the profit to which he was entitled, the number of free days, and the vacation period in the Indies and abroad. Employer obligations respecting health and safety were extensive. The terms under which a contract might be terminated were specified and the employer was required to make a written statement giving

pertinent information regarding the assistant when the latter left his employ.

No general minimum-wage standards were fixed by law. Ordinances covering operations in specified industries dealt with pay scales, as for example in the sugar industry, for which the Government was empowered to fix minimum wage rates for the lower-paid classes of employees. As late as 1936-37 this power had not been used. At that time employer organizations in Java were obliged to make regular reports on wages, which were checked by the Labour Inspectorate.

Restrictions were placed on the employment of women and children in 1926. The law was designed primarily for the protection of native labour, but for the first time no distinction was made between races. Children under 12 years of age were forbidden to work for any enterprise between 8 p.m. and 5 a.m. and might not be employed in specified pursuits, including work in factories. Women were not to be permitted to work between 10 p.m. and 5 a.m. except in pursuance of a decree issued by the Governor General for certain industries, enterprises, etc., in consequence of special industrial needs.

In underground mines, the mining ordinance of 1930 fixed 16 years as the minimum age for employment.

#### WARTIME REGULATION, 1940 AND 1941

As an emergency measure, special powers were accorded to the Government for the mobilization of the human and material resources of the country in 1940 and 1941. The Industrial Co-operation Act of 1940 authorized the Government to make stipulations on pay scales. In 1941, new rules were established regarding conditions of employment of native or foreign Asiatic labour. The branches of industry to which the new regulations were to apply were to be specified by Government order. No stated wage standards were prescribed. Hours were limited to 9 in any consecutive 24.

#### *Administrative Agencies*

In 1921, the Labour Bureau was established in the Department of Justice for the purpose of drafting labour laws and compiling statistics. Two years later the labour-inspection service, which had been func-



tioning since 1908, was placed under the labour Bureau. In 1925 the safety-inspection service, which also had been in existing for a number of years, was likewise transferred to the Bureau. Subsequent legislation expended the Bureau's functions to include every phase of the Government's interest in labour relations.

The Labour Inspectorate and other Labour Bureau officials were responsible for supervising the observance of a number of ordinances, such as the regulations for restricting employment of women and children at night, the ordinance regulating conditions of employment in certain industrial enterprises, and the coolie ordinances. In investigations of certain cases of industrial disputes which affected the public interest, the Labour Inspectorate was consulted. In addition, the Labour Bureau had (in certain enterprises) regulatory powers, including the granting of exemptions, as specified in particular ordinances.

Employment agencies were established in the Indies during the middle 1920's under Government subsidy. Both Employers and unemployed persons made increasing use of the offices—especially during the depression in the early 1930's—but the number of persons registering never became very large in relation to the population. For example, registrations numbered 39,039 in 1934 and rose to 51,086 in 1940, whereas the total population numbered between 60 and 70 millions in those years. Registrations of administrative workers were much higher than for any other group, accounting for 6,270 out of 19,233 applicants at the end of 1939. Skilled manual labourers formed the next largest group, with a total of 3,676 registrants at that time.

Very small proportions of the applicants were placed, ranging from 14 per cent in 1934 to 20 per cent in 1940. The percentage of native applicants securing jobs was usually much smaller than that of Europeans. The rate of placement for the relatively small number of women applicants was far larger than that for men.

On December 16, 1940, the Commission for Labour Affairs was established. It was the first such agency to embody the tripartite representation principle and had wide supervisory and advisory functions on labour matters.

### *Labour Organizations*

Organization of labour started late in the Indies. Rail and street-car employees formed the first union in 1908, in Semarang, Java. The

Government did not encourage trade associations. Labour organizations were required to obtain approval of their articles of association, and other restrictions were imposed. In the early years of organization, most of the labour unions were closely connected with political movements, and the various political elements competed for their control. Communist factions were particularly influential, calling several strikes in the early 1920's; and twice the Government intervened to end their activities. Following the second Government intervention (in 1929), union activity was restricted and although the unions grew somewhat in the succeeding years, the movement was relatively inactive.

The real impetus for Labour organization came from among Government employees, who had by far the largest group of unions and were the greatest force in the drive for improved working conditions and social legislation. Europeans, natives, and a small number of Chinese were organized in separate bodies, and these were in turn divided into groups of Government and other workers.

Membership figures for the unions were small, rising from 13,282 in 1924 to 111,344 in 1931 and then dropping and remaining below 100,000 until 1939, for which year the total was 109,547. In 1940, the trade-unionists numbered 109,708, and unofficial figures place the 1941 membership at 123,500. The figures overstate actual trade-union membership, however, for they include a number of associations not commonly classified as labour organizations.

### Industrial Relations

Compared with the liberal Government policy for improving industrial relations in the Netherlands, the standards established in the Netherlands Indies before the present war were unfavourable. The Government did not encourage joint negotiation by employers and employees for establishing working conditions. No public machinery existed for the arbitration of management-labour differences. Severe curbs were placed on strikes, by law.

Different labour standards were applied to European and to native labour; and it was partly because of the differences in the position of these two groups that development in industrial relations lagged. Europeans, who had an importance out of all proportion to their numbers, had until the depression of the 1930's enjoyed a compara-

tively favourable economic position and did not throw their influence toward obtaining recognition of bargaining rights. Native labour was almost exclusively employed in agricultural pursuits, often working outside the wage system; and forced labour and contract labour under penal sanctions were traditional. In the 1930's, labour unrest was growing. Although the Government was urged by labour to take a positive stand toward recognition of workers' rights, no notable development occurred before the present war.

#### INDIVIDUAL AND COLLECTIVE AGREEMENTS

Before 1926, individual contracts were covered by law but no provision was made for collective agreements. The Civil Code of 1847 recognized individual contracts, and protected them by providing penalties for an employee or an employer who broke a contract. Originally these provisions were for Europeans only, but in 1879 they were extended to natives, Chinese, and other foreign Asiatics. Other native contracts were regulated by the coolie ordinances, as previously noted. Agreements entered into by native employers for the employment of native labour were regarded as outside the realm of the Netherlands Indies Government, as the relationships between such employers and employees were governed in large part by the "adat" (common law) of the Indonesian village communities.

In 1926, amendments to the Civil Code recognized the validity of collective agreements. The new measures applied only to Europeans. Articles dealing with breach of contract by either party formed an important part of the provisions. In spite of this recognition, little progress was made in the spread of collective bargaining. The Government regarded collective agreements as matters for mutual arrangement between the parties concerned. This attitude was exemplified in 1938 when the Government refused to intervene in an important dispute involving the negotiation of a collective agreement.

#### STRIKES

Early Indies law, providing as it did for individual contracts and not dealing with collective disputes, made no reference to strikes. Legislation on strikes was enacted first in 1923 when, as a result of a railway dispute, provisions limiting the right to strike were written into the Penal Code. Any strike agitation that would disturb pub-

lic order or contravene a labour contract was punishable. The action was taken to prevent so-called "political" strikes which had no economic causes, but the terms were so vague and wide in scope that they practically prohibited any attempt at organizing a strike. Efforts to modify the provisions in order to make legitimate work stoppages permissible had met with no success up to the time of the invasion. Strike activity between 1936 and 1940 was small, the largest number of workers on strike in Java during any one of those years being 2,115 in 1940.

#### CONCILIATION AND ARBITRATION

Until very recent years, no Government machinery was established for the settlement of industrial disputes. The only recourse of a worker who felt that alterations made in the terms of his employment were unjustified was to the regular courts, from which no appeal was permitted.

Conciliation machinery was provided for railways on November 24, 1937, and for other industries on July 20, 1939. The railway legislation prescribed that a board should be established, with employer, employee, and Government representation. In case of a dispute involving the public interest, a committee composed of representatives of each group was to attempt a voluntary settlement and to report on the findings. Under the 1939 regulations, when a dispute in private enterprises, other than railroads, threatened the public interest the Director of Justice might, if necessary, appoint officials to investigate, arrange a voluntary settlement where possible, and make a report.

On December 16, 1940, after the present war started, the Indies Government enacted a labour-relations law in which an arbitral system was basic. The measure was received with favour. Under its terms, the Government assumed power to settle disputes arising out of war circumstances, including questions of dismissal of workers, consideration of unfavourable changes in working conditions such as wage reductions, and the payment of pensions and allowances. A Commission for Labour Affairs, representing employers, employees, and the public, was to hear and decide the cases and to advise the Governor General on labour matters. Employers of more than 20 persons, if connected with the war effort, were required to inform the Commis-

sion before making any changes in the working conditions and to obtain its approval; in case of disagreement, the Director of Justice rendered a decision, which was binding. Persons working for an employer of fewer than 20 persons could appeal to the Commission for a final decision.

### Co-operative Movement

The co-operative movement has not developed to any very great extent in the Indies. At the end of 1939, co-operatives numbered 560 (nearly 90 per cent. of which were in Java) and the membership was 52,555. Rural and urban credit associations of various kinds formed the largest group, with 422 credit co-operatives proper and 42,807 members. A number of farmers' credit co-operatives existed in the Indies and performed combination credit and marketing functions. Particularly well adopted to local custom was the "Loemboeng," which warehoused the crops and sold them at the most favourable price, and which also granted loans to its members. Consumers' co-operative were not so important as they had been previously numbering 17 associations. The 31 agricultural and industrial productive co-operatives included a variety of enterprises—12 for the production of rubber, 2 for the supply of raw materials used in cotton-textile weaving, 1 for the weaving of fabrics, and 1 for the operation of a tea plantation. The only Government measures were an act in 1915 giving them legal status and the establishment in 1925 of a Board which evolved in 1939 into the Co-operative Service, with function of education, assistance and supervision.

### Social Insurance

With the exception of workmen's compensation for accidents, workers in the Indies had no public social-insurance protection prior to the present war. The question of establishing old-age pensions and unemployment insurance for wage earners had been under consideration—and the problems were great, especially with respect to extending coverage to native labour—but no action was taken. Such protective systems as were maintained were for governmental workers and employees of private companies which had voluntarily established insurance plans.

## WORKMEN'S COMPENSATION

*General System.*—On May 23, 1939, employers were made liable for compensation for injury to workers in establishments using one or more power tools ; handling poisonous gases or chemicals, explosives, etc. ; or engaged in generating and distributing electricity, loading and unloading, mining, transportation (except at sea), construction, forestry, radio broadcasting, and mechanized farming. Under the terms of the ordinance, coverage may be extended (by public regulation) to other enterprises considered to be dangerous. Government employees, home workers with certain exceptions, and members of the employer's family are excluded. Benefits provided include transportation to either the worker's home or a hospital, and medical care for at least 1 year. Cash payments for temporary disability amount to 80 per cent. of the worker's daily wage for each day of disability for 1 month, excluding Sundays, after which the worker receives half the daily wage. Compensation for permanent total disability consists of half pay for life, while for permanent partial disability benefits vary from 1.5 to 37.5 per cent. of the daily wage according to the extent of injury. If death results from injury, funeral and survivors' benefits are paid. In calculating cash benefits, wages in kind are converted into money at prevailing local prices and included with cash wages.

*Seamen's System.*—Compensation of injured seamen at the employers' expense was provided for on September 10, 1940. Any seaman having an accident on board or on account of a covered vessel, whether or not in connection with the employee's occupation, is covered. Benefits include medical attendance for not over 1 year, board and lodging if away from home, transportation to the place where nursed, transportation to and board and lodging in the place where the employment agreement was entered into if the agreement lapses during the illness, and compensation for loss of effects. In addition, the seaman receives cash benefits fixed at the same percentage of wages as those under the general system ; the only differences are that under the seamen's system payments for Sundays are included and the period of full wage payment for temporary invalidity lasts for 26 weeks instead of being limited to 1 month as under the general system. Funeral expenses and survivors' benefits are provided. Calculation of wages takes into account every money payment except special bonuses



prescribed by Government order and includes the money value of board, lodging, and clothing provided to the seaman.

### Postscript.—

Events in the political sphere moved fast in the months following the surrender of Japan in August 1945. Even in the pre-war period there was considerable dissatisfaction among Indonesians with the small measure of autonomy allowed to them by the Netherlands Government. No mentionable constitutional advance had been made since the establishment of the Volksraad or People's Council as far back as 1918; and even in this body of sixty members, there were only 30 Indonesians, whereas they constituted 97.4 per cent. of the total population. Though the Japanese 'co-prosperity' regime deceived nobody, the appetite for independence of the people was whetted by this brief interlude of so-called independence. During the war, therefore, the Netherlands Government found it expedient to promise Indonesia partnership status at the end of the war. A Proclamation dated 7th December 1942 of Queen Wilhelmina laid it down that the Kingdom of the Netherlands will, after consultation between representatives of its four parts (of which the East Indies are one) be reconstructed as a Commonwealth, to be based on "the solid foundation of complete partnership", in which every part will handle its own internal affairs, matters of common interests such as defence and foreign affairs being reserved for consideration and decision by organs of the Kingdom as a whole. This was followed by a Decree of December 1943 providing for the convening of the Volksraad as soon as possible after the war with a three-fifths majority of Indonesian representatives, instead of one-half as hitherto, and the replacement of the 'Council of the Indies', a purely advisory body, by an Executive Council consisting of the heads of Departments, to assist the Governor-General in his work.

Indonesian political expectations suffered disappointment when, in the months following the surrender of Japan, there occurred considerable delay in the implementation of these war-time promises. A crisis was thus precipitated; hostilities soon broke out between the Netherlands forces in the Islands and the Indonesians who, led by Dr. Soekarno and Dr. Shariar, organised themselves as the 'Indonesian Republic'. Pending elections, which the unsettled state of the country made impossible, a temporary parliament, to which

President Soekarno and his Cabinet are responsible, has been convoked, and Dr. Shariar is carrying on the Government as Premier. At the same time, negotiations have been going on between the Netherlands Government and the Republic, the idea apparently being to evolve an arrangement under which the Republic, on the analogy of the Eire Republic and the British Empire, need not necessarily break away from the Netherlands. A draft agreement for this purpose was signed between the two parties in December 1946, and this draft agreement will shortly be submitted to the Indonesian temporary parliament for acceptance or rejection. The more important Indonesian political parties are the Indonesian Nationalist Party, the Socialist Party, the Muslim Party, the Christian Party and the Women's Party, and opinion is very much divided among them on the important issue of continuing the connection, however tenuous, with the Netherlands. Meanwhile, tension in the country continues.

## LABOUR IN SIAM.<sup>1</sup>

### Summary.

THE greater part of Siam's approximately 15 million people have a mode of life that is rare in Western countries. Over four-fifths of the workers derive their living from agricultural pursuits, mainly rice culture ; almost everything used is home produced ; even housing consists of bamboo and leaf dwellings erected with a few man-days of labour. If the natives have a crop failure they are unlikely to suffer famine, as numerous foods are readily at hand, such as bananas, coconuts, edible herbs and roots, and wild game. Need for money is not great. Taxes may be paid by work, if the citizen lacks funds with which to pay them. However, indebtedness among the natives for their small purchases, such as seed, is a serious problem that the Government has attempted to control.

Before the present war, most commercial and industrial activity within the country was carried on with foreign capital, chiefly by the Chinese employing Chinese labour. Until quite recently, neither the Government nor the people appeared to object to the predominance of the Chinese in business. These immigrants married Siamese women and became leaders in the community. A movement that resulted in the *coup d'etat* whereby a limited monarchy replaced absolute rule, in 1932 had as its object the modernisation of the State. Only a beginning was made before the second world-war started ; but, as the plans of the Government were very nationalistic, the position of the Chinese was affected adversely. Although discriminatory measures were taken, the campaign failed in its nationalist objectives, as Siamese workers were not prepared or willing to enter employments that the Chinese were forced to vacate.

Wage-workers were comparatively few in number and were predominantly alien, and therefore no special urgency was felt by the Government to raise and standardize conditions of employment. Unemployment was never a serious problem, since surplus immigrant labour could leave the country in times of business lull. As it was

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<sup>1</sup> Reprinted with the kind permission of the Bureau of Labour Statistics, U.S. Dept. of Labour, from the Monthly Labour Review of June, 1944.

difficult to obtain the labour needed when business activity was resumed, the wage level was relatively high compared with that in other parts of South-East Asia. Prevailing daily wages of unskilled labour—largely rural—ranged from 0.50 baht in the north to 1 baht in the central and southern regions. Converted at the pre-devaluation rate of 1 baht=42 cents in United States currency, earnings amounted to 21 and 42 cents a day, respectively. In Bangkok, the capital and only large city, hours were generally 54 a week in 1938-39. Data on working time of rural labour were never obtained. Trade unions were not formed until after the constitutional monarchy was established. Shortly afterward, a series of strikes took place. Finally the Government established machinery for settling employer-employee disputes. The only Government-sponsored system to assist the working classes was co-operative credit, by means of which interest rates were reduced. No social-insurance protection was afforded, except to Government employees. General legislation proposed in 1938 was rejected; the measure would have fixed minimum wages, established an 8-hour day and extra pay for overtime work, and introduced old-age pensions and workmen's compensation.

### Resources and Peoples.

Siam is situated between Burma, French Indo-China, and Malaya. In peacetime, it was one of the five countries of moonsoon Asia with net rice exports. Other important agricultural products are rubber, coconuts, tobacco, pepper, and cotton. Forests yield valuable teak-wood. Mineral resources consist of coal, tin, iron, manganese, tungsten, antimony, quicksilver, and deposits of gold and silver. Precious stones also are found in the country. Climatic and other conditions divide the country into four regions. The north and east are poorest, the central region is the richest and most populous, and the south is important for its tin. Notwithstanding the valuable resources and a pre-war land area of 200,148 square miles, a large part of the population lived at subsistence levels because of the primitive agricultural methods used and the lack of industrialization. The population of 14,464,105 at the time of the 1937 census and an estimated 15,718,000 in 1940 is small for the land area. Japan proper, with a far smaller land area (147,702 square miles), supports over 69,000,000 people.

Several population groups inhabit the country, tending to concentrate in certain sections, although small numbers of the groups are scattered. The Thai and other related tribes, especially Laos,<sup>1</sup> live in the north and east and, to a certain extent, the central region. The largest group of Chinese outside of China is in Siam, and is chiefly concentrated in the cities of the central area. The Malays from Malaya have settled in the south. Buddhism is the prevailing religion and Thai is the chief language spoken.

### Governmental Administration.

King Prajadhipok, whose reign started in 1925, introduced economies in government and took some of the first measures toward the modernization of Siam. As a result of his efforts a number of public employees were dismissed, who were then unable to find other employment owing to the scarcity of opportunity for white-collar workers. This action was an immediate reason for the *coup d'etat* in 1932, although the underlying cause was the desire of the People's Party to hasten economic development. In spite of curtailment of his powers, the King remained on the throne, but finally abdicated in 1935 rather than sign a measure whereby he would have been deprived of the power of life and death over his subjects. Prince Ananda succeeded and, as he was a minor, a regency was appointed.

Under the constitutional monarchy established after the *coup d'etat* the King legislated with the advice of the Assembly of the People's Representatives and exercised executive power through the State Council. The Assembly consisted of appointed and elected members under a system that was intended to last until 1942, when all members were to be elected. In fact, an election took place in 1938. After that year the existing National Assembly was reconvened at different times. For local administration, 70 provinces were established, which were divided into 406 districts and 5,087 communes. Local legislative and executive bodies with limited powers were modeled on the national machinery.

Administration of labour matters at the national level was carried on by the Ministries of Agriculture, Interior, and Economic Affairs. Mining was under a special Mining Department. Employment agencies

<sup>1</sup> Throughout the present article the term Thai refers to all the Siamse peoples and not only to Thai in the narrower sense.

were placed under the jurisdiction of the Ministry of the Interior by Act of August 29, 1932. The Ministry controlled private employment agencies and instituted an official employment agency of its own.

### Employment Classification of the Population.

Of the population registered in the 1937 census, 96% were Thai. The Chinese formed the largest foreign group, but the total was small as all Chinese-born in Siam are classed as Siamese. Sex ratio was fairly even, there being nearly as many females as males in the country. The distribution of the population by race and sex in given is Table 1 for 1937.

TABLE 1.—*Population of Siam by Nationality and Sex, 1937.*

Nationality	Both sexes	Males	Females
All nationalities	14,464,105	7,313,584	7,150,521
Siamese .. .. .	13,841,304	6,921,440	6,919,864
Chinese .. .. .	524,062	335,524	188,538
Japanese .. .. .	514	339	175
Other Asians .. .. .	61	45	16
British .. .. .	55,576	31,776	23,800
Netherlanders .. .. .	3,067	1,715	1,352
French .. .. .	33,736	22,306	16,430
Other Europeans .. .. .	661	374	287
Americans .. .. .	122	64	58
Others .. .. .	2	1	1

Nearly 47% of the population was classified as gainfully occupied in the census. Of the gainful workers 88% were engaged in agriculture and fishing. Commerce accounted for 5% of the total, and industrial pursuits, including manufacturing, engineering, and mining, for only 2%. Statistics of gainful workers are given in Table 2.

TABLE 2.—*Gainful Population of Siam Classified by Occupation, 1937.*

Occupation	Declarants		
	Both sexes	Males	Females
All occupations .. .. .	6,528,556	3,598,247	3,225,309
Agriculture and fishing .. .. .	6,028,795	3,018,892	3,009,903
Forestry .. .. .	20,407	15,012	5,395
Commerce .. .. .	357,336	221,461	135,875
Industry and engineering .. .. .	129,954	96,840	33,114
Mining .. .. .	15,071	13,807	1,264
Transport and communication .. .. .	58,857	56,568	2,289
Public works .. .. .	62,376	62,160	716
Professional .. .. .	49,747	41,604	8,143
Domestic .. .. .	82,590	54,404	28,186
Clerical service .. .. .	17,923	17,499	424



*Occupations by Area and Nationality.*

Agriculture is important in all regions. Except in the central region, where farming is commercialized and workers are employed for wages, most of the workers derive their living from tilling their own small plots of land. Rice culture is widespread and is the main type of agriculture. In the south the financial return from mining and rubber is greater than from farming. The close link between the people and agriculture is explained by a number of factors. Thus, lack of communication made it difficult to move far in search of employment until recent years. Many persons undoubtedly lacked the initiative to leave familiar surroundings and work, as they passed from a slave to a completely free status only in the present century. The greatest force in preventing occupational change seems to have been the system of land tenure, under which a high proportion of Siamese own small plots as a result of an ancient custom permitting every man to have the amount appropriate to his station.

Widespread land ownership has not prevented tenant farming, however. In passing from generation to generation the acreage owned by individuals has often become too small to afford a living for a family. Therefore an individual may be an owner and at the same time work land belonging to someone else. In other instances an owner works part of his acreage and rents the rest. Absentee land ownership prevails in central Siam where noblemen or Chinese have assembled large tracts which are worked by paid labour. Where land ownership is centralised, the living conditions of the peasantry are poorest.

As a large part of the agricultural work is seasonal, the people engage in various native crafts in their spare time. These include boat building, brick, hat, and pottery making, weaving, lacquer work, and the manufacture of paper. The most distinctive Siamese art is the niello work, consisting of a process of metal inlay on silver which has been carried on for over 8 centuries.

Bangkok is the chief centre of industrialised employment. Elsewhere there have been few employers of industrial labour on a very large scale, except the State and the fishing and mining industries of the south. State-employed labour has been engaged chiefly in construction and maintenance of communications.

Chinese merchants predominated in both wholesale and retail trade and usually the Chinese retailer bought only from his compatriots. The

majority of Indians were also merchants, although some were on the Bangkok police force or were engaged as unskilled laborers, watchmen, and messengers.

### **Employment Conditions.**

#### *Nationalist Movement.*

Although Siam remained politically independent until it joined the Japanese sphere late in 1941, the economy was typically colonial. Alien groups exploited the natural resources and marketed the export crops. Employers relied largely on immigrant labour for industrialised employments, partly because the local population was disinclined to accept wage-paid work and also because the Chinese, in particular, would work long hours.

When the Government first introduced a nationalistic policy in the early 1930's curbs were placed on aliens, which bore most heavily on the Chinese as they constituted the most numerous and the most successful foreign element. Previously, the Chinese had occupied a position of respect in the country and all those born in Siam had the status of citizens. Immigration was temporarily reduced by the imposition of literacy test, entry fees, and other charges. Certain businesses were established by the Government and others were given financial assistance, to break the Chinese monopoly. Renewed efforts were directed toward nationalism in 1939 and 1940, when the Thai people were urged to take their rightful place in their own country by eating Thai-produced food, wearing Thai-produced clothing, and by aiding each other and the Government in building up Siam. Direct limitations were placed on the proportion of Chinese who were permitted to be employed in different enterprises. The tax system was revised, imposing a heavier burden on foreigners than on Siamese. Increased entry fees barred many Chinese from the country, and language requirements prevented Thai citizens of Chinese birth and heritage from exercising their rights. The Thai people did not respond to the Government's efforts to instil nationalist sentiments and therefore the movement against the Chinese did not have the desired result.

#### *Slave and Compulsory Labour.*

Slave labour was abolished by successive measures taken between 1870 and 1905. Aside from such servitude, another old grievance of

the Thai was the work required by the Government. Any official had the right to demand transportation and any sort of unpaid labour of the people—and not necessarily for Government business. In 1900, this prerogative was abolished, compulsory labour being permissible only for public purposes. During the reign of King Mongkut (1910-25) it was decreed that men would no longer be required to perform labour that might be done by paid workers. As it was difficult to obtain men in rural areas who were willing to work for pay, continued use was made of the compulsory powers in securing persons for police work, road building, and certain other purposes. After the poll tax was introduced, no free person who paid his tax could be compelled to perform labour for the State.

*Effect of Depression in 1930.*

For the Thai, employment does not fluctuate with changes in the business cycle. When export prices are low, the growers receive less money for their surplus crop, but life goes on much as usual. Unemployment among immigrant workers is kept from reaching serious proportions, when employment lags, by the return of surplus workers to their homelands. However, Siam was affected financially by the depression of the early 1930's. For example, the excess of exports over imports declined from a ratio of 134 : 100 in 1928-29, to 106 : 100 in 1929-30, and 104 : 100 in 1930-31. The following year the 1928-29 ratio was regained. When Great Britain abandoned the gold standard in September 1931, Siam attempted to maintain its gold-backed currency, but in May 1932 found it expedient to link the baht with sterling, and confidence was restored. In 1934 the worst phase of the depression and of the political change had ended, and attempts were made to readjust and reorganize the economy. Indebtedness of the farmers was the chief internal problem in that year. In 1936 the Government inaugurated a 10-year plan to alleviate financial distress, to aid farmers in acquiring land on instalments, to introduce modern agricultural methods, and to extend education and experimental work with crops. Evidences of recovery were more pronounced in 1936 than in the previous year. The only count of unemployment was made in connection with the 1937 general census. Of 11,425 unemployed at that time, 7,141 were registered as having been engaged in agricultural and fishing occupations. The next most numerous group was domestic service with a total of 1,065.

## Wages, Hours, and Working Conditions.

### *Pre-war Wages.*

Students of labour conditions often refer to the high wages paid to labour in Siam as compared with those received by workers in neighbouring countries. Of the relatively few persons working under the wage system, ordinary unskilled labour (largely rural) had prevailing pre-war daily pay of from 0.50 baht in the north to 1 baht in the central and southern districts, where the demand for labour was greater. These wages are roughly equivalent to 21 and 42 cents a day in United States currency. When agricultural workers were employed for wages they received free board and lodging in addition to their pay.

The only official series of wage statistics regularly issued in Siam covers selected occupation in Bangkok. It is useful in showing both the level and the trend of wages. Wages are given in Table 3 for selected years between 1933 and 1939. Daily pay of coolies remained stable at 0.80 baht and in occupations where variation occurred it was generally slight. Head coolies and office clerks were paid more than workers in any of the other categories.

TABLE 3.—*Wages and Salaries in Bangkok, by Occupation,  
Selected Years, 1933-39.*

Occupation	Daily wages (in baht)			Occupation	Monthly salaries (in baht)		
	1933-34	1936-37	1938-39		1933-34	1936-37	1938-39
Coolies ..	0.80	0.80	0.80	Head coolies ..	70.00	71.00	71.00
Sailmakers ..	1.00	1.00	1.00	Steermen ..	31.50	31.50	31.50
Carpenters ..	1.45	1.45	1.45	Launch engineers ..	40.50	40.50	40.50
Caulkers ..	1.45	1.45	1.45	Watchmen ..	24.00	25.45	25.46
Boilermakers ..	(1)	(1)	(1)	Van men. .	36.00	36.00	34.00
Blacksmiths ..	2.52	2.45	2.47	Office clerks ..	71.00	64.87	66.18
Turners ..	2.39	2.35	2.34				
Fitters ..	2.10	2.15	2.11				

(1) On contract hire.

A survey of income and expenditures of farmers covering conditions in 1933-34 disclosed great differences as between regions and an extremely small margin of profit. The average annual income, expenditures, and profit are given in Table 4, by region.

Government employees formed a fairly large group in pre-war Siam, totalling 100,569 in 1938-39. Almost 90 per cent. of such employees received average annual salaries of under 960 baht; over

7 % earned 960 and less than 2,400 baht. Annual salaries for the entire group averaged 470 baht.

Persons in private employment did not receive family allowances, vacations with pay, or social insurance. Government personnel had insurance protection, but information is not available showing other benefits, if any, received by public employees.

TABLE 4.—*Average Annual Earnings, Expenditures, and Profits of Farmers in Siam, 1933-34.*

Region	Average annual earnings	Average annual expenditures	Average annual profits
	<i>Baht</i>	<i>Baht</i>	<i>Baht</i>
Northeast.....	30.16	29.58	0.58
South.....	73.89	58.59	15.30
North.....	65.20	51.93	13.27
Central and southeast.....	184.56	177.46	7.10

#### *Hours of Labour.*

In Bangkok, the prevailing hours of work for industrial labour in different occupations were 50 a week during 1936-37 and 1937-38. Hours were increased generally to 54 a week in 1938-39. Clerks in offices had a 44½-hour week and watchmen one of 84 hours in the same 3-year period. The survey on rural life, from which income and expenditures are shown above, stated that it was impossible to ascertain the hours farmers and their families spent in the fields.

Both public and private employees had a rest day on Sundays. Seventeen other holidays were observed by the Government and 15 days were commercial holidays.

#### *Regulation of Working Conditions.*

Except for a 30-baht monthly minimum wage established for Government employees, no evidence is available showing that wage regulation has been introduced for Thai labour. Regarding hours and the conditions of employment for women and children there is a similar lack. A bill introduced into the Assembly in 1938, which was rejected by a vote of 62 to 28, would have fixed minimum wages, a maximum 8-hours workday, and extra pay for overtime work. The Assembly also defeated a provision for a 15-year minimum age for employment. The Siam Government's attitude toward establishing basic working standards is exemplified in its refusal to ratify conven-

tions approved by the International Labour Office. On different occasions it expressed the opinion that the application of the conventions was not yet necessary, that the service for which protection was sought was of minor importance, or that the matter did not constitute a labour problem in Siam under existing industrial conditions.

### Industrial Relations.

The changing status of the Chinese and their secret societies is closely connected with the introduction of curbs on the activities of all societies. Chinese secret societies were first encouraged by the Siam Government as a means of offsetting those fostered by the French missionaries. Once encouraged, they flourished. They were required to register in 1897, and other restrictions followed. In 1931, the societies were stated to be spreading among the Thai. The constitutional Government finally forbade secret societies or political parties to exist in 1932. The People's Party, responsible for the *coup d'etat*, then became a social club; the right of assembly was severely limited; and discussion of Communism was forbidden.

In this period, labour was becoming more class-conscious and the first so-called trade-union was registered. The union consisted of railway workers who had banded together in 1897. Aims of the organization when registered were to teach thrift, aid the aged and crippled, and stabilize the livelihood of members.

Employers also organized, and the Thai Chamber of Commerce held its first formal meeting in July 1934. Europeans and Americans established their own Chamber of Commerce, as did the Chinese also.

Strikes had occurred only infrequently before 1932, but a wave of strikes started in that year, including a stoppage of tramway workers. Strike activity was intermittent until 1934, when two serious work stoppages took place, affecting rice-mill workers and the Bangkok railroad workers, respectively.

The Government refused to make a formal decision on employer-employee differences in 1932 when the tramway dispute was in progress. The Minister of the Interior did review the situation, but the employees were merely told to return to work, with the assurance that if any injustice occurred in future the State counsellor would consider the case. As a result of the rice-mill strike some Chinese participants



were deported. When the railroad workers went out on strike, the Premier was forced to take cognisance of the dispute. A permanent committee, with the Governor of Bangkok as chairman, was created to deal with labour problems.

### **Co-operative Movement.**

Co-operative credit societies were Government sponsored. The movement was started under the Association Amendment Act of 1916-17 and growth was accelerated as a result of legislation sponsored by the constitutional regime. Originally, operating capital for the societies was furnished by the Thailand Commercial Bank with the Ministry of Finance as guarantor. Societies drew money from the fund at 6%, loaned it at 12% and set aside operating profits as a reserve. Beginning in 1933-34 the Government made out-right grants of money for co-operative credit. It then became possible to reduce interest rates to the individual societies and the movement therefore began to spread. By the end of 1936-37 a total of 770 societies in 18 Provinces had a membership of over 11,000 farmers.

### **Social Insurance.**

No social insurance of any kind was provided for employees engaged in private industry before the present war, and it is unlikely that legislation has been enacted subsequently. Attempts in 1938 to pass a law for the introduction of old-age pensions and workmen's compensation failed. The only group with social-insurance protection consisted of Government employees, who were covered by the Civil Service and Pensions Act that became law in King Prajodhipok's reign. Persons aged 55 years, with 25 years of Government service, were granted pensions. In 1938-39, 6,048 persons received an average of 1,073 baht, including payment for old age, length of service, sickness, injury, and death. The detailed terms of the system are not available.

### **Siam in the War.**

Siamese participation in hostilities, after the war started in 1939, was divided into two periods separated by less than a year of peace.

During 1940-41 the country was at war with Indo-China. Hostilities were settled by Japanese mediation on March 6, 1941, whereby France ceded considerable tracts in Laos and Cambodia to Thailand in return for a money payment. In conformity with the Thai philosophy of professing hatred toward no people, only token resistance was offered when the Japanese forces entered the country in December 1941. A 10-year treaty was signed by the two nations, and on January 25, 1942, Siam entered the war on the side of Japan. She was rewarded by grants of territory belonging to British Malaya and Burma.\*

Following the alignment with Japan, Thai discrimination against the Chinese continued. It is uncertain to what extent the movement was inspired by the Japanese or was a part of earlier plans. By decree of June 10, 1942, 27 professions and trades were reserved exclusively for Thai. Aliens were allowed 90 days or 1 year, depending on the pursuit, to leave the reserved occupations. The latter were as diverse as hair-dressing and brick manufacture. It was professed to be the official opinion that aliens prevented Thai from entering trade. Actually, difficulty was experienced in securing Thai to fill the positions that were left vacant.

To insure fuller utilization of manpower, employment agencies were extended. Workers were urged to register for work, and placement of the lazy and vagrants was emphasized.

Existing measures to control price rises were also strengthened after the Japanese invasion. Penalties were fixed for profiteering and for hoarding, and rationing was introduced.

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\*Siam has since retracted her declaration of war against the Democratic Powers, and returned the territories she took from Laos and Cambodia on the one hand, and British Malaya and Burma on the other. In 1946, she was admitted to membership of the United Nations.

## LABOUR IN THE PHILIPPINES.<sup>1</sup>

### Summary.

AGRICULTURE is the chief source of livelihood of more than 80 per cent. of the inhabitants of the Philippines. Thus, out of a total population of about 16,000,000, according to the 1939 Census, 8,466,493 persons had gainful occupations and of these nearly 7,000,000 were in agriculture and in personal and domestic service. The majority of the latter group were employed on farms. Manufacturing and mechanical industries, on the other hand, employed only 601,335 persons.

Because of the agricultural economy and the close-knit Filipino family groups, their unemployment, in the occidental sense of the word, was neither so acute nor so extensive as it was in Europe and America. In 1939, only 215,246 persons with a gainful occupation were reported as unemployed, and of those 129,335 were usually engaged in agriculture.

In 1939, the 8-hour workday was made general for all workers except farm labourers, employees on piece work, domestic servants, and members of the employer's family. Overtime was to be paid for at the rate of time and a quarter. Wages were fixed largely by contract. In 1936, the Court of Industrial Relations (created in that year) was given control over the establishment of minimum wages and maximum rents.

The average daily wage in 1939 was 0.61 peso (about 30 cents in United States currency). Agricultural workers had the lowest average wage, 44 centavos, and public-service employees the highest 1.44 pesos. The lowest daily wage (0.12 peso) was paid to women agricultural labourers in Capiz, and the highest to mechanics in Davao, 9.50 pesos.

Labour organizations were patterned after those in the United States, and from the year 1936 were closely regulated by the State. Their total membership in 1938 was 46,456.

Collective bargaining was common in the unionised industries, but the membership of labour organisations included only a small portion

<sup>1</sup> Reprinted with the kind permission of the Bureau of Labour Statistics, U. S. Dept. of Labour, from the Monthly Labour Review of April 1945.

of the working population. The settlement of industrial disputes was in the hands of the Court of Industrial Relations, established in 1936. Mediation, conciliation, and arbitration were provided for by a law of 1938.

Although the co-operative movement in the Philippines was not large, it included associations of all the principal types—credit, marketing, consumers', and industrial. At the outbreak of the war, the agricultural credit co-operatives numbered 570, were in some 43 Provinces, and had a total membership of about 105,000.

Social insurance provided consisted of accident compensation for workers in industrial and agricultural establishments employing not less than 30 workers, and old-age pensions for teachers, for officers or enlisted men in the Philippine constabulary, and for certain officers and employees of the Public Health Service.

*Situation under Japanese occupation.*

The Japanese occupation severely disrupted the Philippine economy. The invader changed the emphasis given to various branches of agriculture, mining, and manufacturing. For example, sugar—previously one of the leading products—was de-emphasized, and the hitherto unimportant cotton cultivation was stressed; and factory operation was brought to a standstill. As a result of the industry stoppages and the change in agricultural production, unemployment increased greatly.

Instead of continuing the use of minimum wage rates, the Japanese provided a *maximum* wage. In July 1943 this wage was 1.30 pesos per day, which dropped to approximately 0.91 peso if the employer provided meals. Although there are no data regarding the specific number of hours of work, it is known that the number of hours of labour were increased substantially. For overtime, male workers in Manila were to receive payments of 12.5 per cent. in addition to their regular or basic wage rates.

Pre-invasion labour unions were outlawed, and an organization, called the Central Labour Union, was established in Manila to centralize control of the Filipino labour force.

To serve Japanese objectives, the co-operative framework, as it was under the Commonwealth, was expanded by the invaders with the addition of Japanese technical and financial assistance. With Japan interested mainly in Philippine agriculture, the farmers' or

producers' associations, by February 1944, had become the most numerous of the co-operatives, totaling 206, with a membership of some 87,000. In order to gain the support of the Filipinos, the Japanese likewise encouraged co-operatives in retail businesses which formerly had been controlled by the Chinese.

#### THE LABOUR FORCE.

In a population of about 16,000,000 in 1939, the Philippine census showed 8,466,493 persons as having gainful occupations, women outnumbering men by 27,937. In terms of occupations, the two largest groups were agriculture, which employed 3,456,370 and domestic and personal service, with 3,478,084 persons, of whom the majority were employed on farms. Of the domestic and personal service group, 3,147,320 or 90.5 per cent. were housewives or housekeepers. Only 601,335 were employed in manufacturing and mechanical industries. The distribution of gainful workers is shown in Table 1.

TABLE 1.—*Gainful Workers 10 Years Old and Over, by General Occupation Group and Sex, in the Philippines, 1939.*<sup>1</sup>

Occupation group	Number			Percentage distribution			Per cent. of total	
	Both sexes	Male	Female	Both sexes	Male	Female	Male	Female
Total.....	8,466,493	4,219,278	4,247,215	100.0	100.0	100.0	49.8	50.2
Agriculture.....	3,456,370	2,981,551	474,819	40.8	70.7	11.2	36.3	13.7
Domestic and personal service.....	3,478,084	123,508	3,354,576	41.1	2.9	79.5	8.6	96.4
Professional service.....								
Public service (not elsewhere classified).....	103,415	65,438	37,977	1.2	1.6	.9	63.3	36.7
Fishing.....	49,620	48,984	636	.6	1.2	(2)	98.7	1.3
Forestry and hunting.....	180,569	175,841	4,728	2.1	4.2	.1	97.4	2.6
Mining and quarrying.....	26,820	24,993	1,817	.3	.6	(2)	92.9	7.1
Manufacturing and mechanical industries.....	47,019	46,625	394	.6	1.1	(2)	99.2	.8
Transportation and communication.....	601,335	333,976	267,359	7.1	7.9	6.3	55.5	44.5
Clerical.....	203,596	202,449	1,147	2.4	4.8	(2)	99.4	.6
Trade.....	48,899	44,904	3,995	.6	1.1	.1	91.8	8.2
	270,766	171,099	99,667	3.2	4.1	2.3	63.2	36.8

1 Data are from *Census of the Philippines, 1939*, Vol. I, Manila, 1940.

2 Less than a tenth of 1 per cent.

#### INDUSTRIAL DISTRIBUTION OF WORKERS.

Among the 15 leading manufacturing and mechanical industries and occupations—employing more than 490,000 of the 601,335 persons

in this category—embroidery and dressmaking (with 113,810), and carpenters (numbering 76,465), head the list. The distribution of Filipinos engaged in the leading manufacturing and mechanical industries appears in Table 2.

TABLE 2.—*Gainful Workers in the 15 Leading Manufacturing and Mechanical Industries of the Philippines, by Industry or Occupation, and Sex, 1939.*

Industry or occupation	Number of gainful workers		
	Both sexes	Male	Female
All groups.....	490,039	241,337	248,702
Embroidery and dressmaking.....	113,810	2,630	111,180
Carpenters.....	76,465	76,457	8
Indigen textile manufacture.....	55,834	1,047	54,787
Labourers (Industry not stated).....	51,504	48,300	3,204
Mat manufacture.....	27,318	1,120	26,193
Tailor shops and necktie manufacture.....	23,723	15,799	7,924
Hat manufacture.....	23,296	2,848	20,448
Sugar centrals and muscovado mills.....	22,044	21,762	282
Sawmills and planing mills.....	21,785	21,747	38
Shoe and slipper manufacture.....	20,271	14,523	5,748
Miscellaneous manufacture.....	12,281	7,111	5,170
Nipa manufactures.....	11,058	5,311	5,747
Cigar and cigarette manufacture.....	11,027	5,272	5,755
Bakeries.....	10,374	2,509	805
Rice and corn mills.....	9,249	7,971	1,278

Source : *Census of the Philippines, 1939*, Vol. II, Manila, 1941.

#### EMPLOYMENT CONDITIONS.

##### *Unemployment.*

In the Philippines, the unemployment problem was neither so acute nor so extensive as it was in Europe and America. This was due to the lack of widespread industrialization, and to the traditional policy of the Filipino family (which includes all individuals related by blood or marriage), of taking care of its own relief problems. In the census of 1939, only 215,246 persons with a gainful occupation were listed as unemployed. More than three-fifths (129,335) of that number were usually engaged in agriculture, and in the agricultural group 28,586, or 22.1 per cent. were farmers or farm owners. Below is given a distribution of the 'unemployed persons 10 years old and over' in 1939, by general occupation group.



All groups	..	..	..	<i>Number</i> 215,246
Agriculture	..	..	..	129,335
Manufacturing and mechanical industries	..	..	..	36,755
Transportation and communication	..	..	..	13,885
Fishing	..	..	..	10,322
Trade	..	..	..	8,760
Domestic and personal service	..	..	..	8,342
Professional service	..	..	..	2,604
Mining and quarrying	..	..	..	2,123
Forestry and hunting	..	..	..	1,745
Clerical	..	..	..	851
Public service (not elsewhere classified)	..	..	..	524

In the years immediately preceding the attack on Pearl Harbour, several factors complicated the unemployment situation. There was an uneven distribution of land and people. Also, the unemployed tended to migrate to the cities and especially to Manila. Such migration, combined with the increasing desire among young persons for higher education and white-collar jobs, contributed to the overcrowding of urban industry.

#### *Employment agencies.*

An act of 1917 authorized the establishment of public employment agencies by the Bureau of Labour. It also provided that the Director of Labour should have authority to fix the amount of fees and to collect them from the employer, for services performed by the agency in securing workers. By 1938, the employment-service functions had been assigned to offices of public defenders (who were representatives of the Philippine Department of Labour) in 35 towns and Manila.

Private employment agencies were not regulated by the State until 1932, when a law placed them under the supervision of the Director of Labour. The measure also prohibited the establishment of such agencies except under license from that official. Fees from applicants were limited to 20 per cent. of the first year's wages.

#### WAGES, HOURS, AND WORKING CONDITIONS.

##### *Hours of Labour.*

An act of June 1939 made the 8-hour workday applicable to all industrial or occupational employees except farm labourers, workers on a piece-work basis, domestic servants, and members of the employer's family. The law also directed that workers should receive time and a quarter for overtime and for work on Sundays and legal holidays.

Also, in the event of a national emergency, the Government was authorised to establish rules and regulations for the operation of plants and factories and to determine wage rates therein. A statute of September 1939 authorised the President of the Philippines to suspend the 8-hour law, but he did not make use of that authority.

#### *Workers' Wages.*

*Fixing of wages.*—Philippine labour was overwhelmingly rural, and comparatively unacquainted with a money economy. Wages generally were fixed by 'customary contracts' or by 'the Pakiao system.' The customary contract was a series of implied annual covenants, which were inferred from (a) limited verbal agreements, and (b) relations of one party to another which had existed for generations either in the community or on the estate involved. The Pakiao system was, in brief, a form of contract labour under which the employer agreed to furnish the employee with land, shelter, subsistence, and materials; the other party to the agreement contracted to obtain all the workers the employer needed.

By 1926, the principle of wage fixing through collective bargaining was in operation in those industries and occupations in which the workers were organized.

In 1932, the State began to intervene in matters dealing with wages. The employee was not to be compelled to purchase commodities from the employer, nor was any part of his wages to be paid in other than legal-tender currency of the Philippine Islands; in addition, the employer was to pay his workers on the fifteenth and last day of every month, or on every Saturday. (The principle of bimonthly payments was reaffirmed by a law of 1938, which further stated that no employee was to be compelled to purchase his commodities from his employer's store.) In 1936, the Court of Industrial Relations was created, with power to determine the necessity and justice of fixing a minimum wage or a maximum rental.

*General level of wages.*—In 1939, the latest period for which data are available, the average daily wage, all gainful occupations combined, was 0.61 peso (about 30 cents in United States currency), and the average monthly salary was 29 pesos (roughly \$14.50 in United States currency). In the individual industries, average daily wages ranged from 44 centavos in agriculture to 1.44 pesos in public service. In domestic and personal service the average monthly salary was 9 pesos,

and in professional service 74 pesos per month. The average daily wage and average monthly salary in 1939, of persons reporting from the various industry groups, were as follows :

				<i>Average daily wage (in pesos)</i>	<i>Average monthly salary (in pesos)</i>
All Industries	..	..	..	0.61	29
Agriculture	..	..	..	.44	14
Domestic and personal service	..	..	..	.53	9
Professional service	..	..	..		74
Public service (not elsewhere classified)	..	..	..	1.44	50
Fishing	..	..	..	.57	16
Forestry and hunting	..	..	..	.75	24
Mining and quarrying	..	..	..	1.22	56
Manufacturing and mechanical industries	..	..	..	.80	30
Transportation and communication	..	..	..	1.03	36
Clerical	..	..	..	1.38	58
Trade	..	..	..	.66	37

Minimum daily wages in various Provinces of the Philippines, in April 1939, were as low as 0.12 peso<sup>2</sup> for female agricultural labourers in Capiz and as high as 1.50 pesos for hemp classifiers and mechanics in Davao. Maximum daily wages for the same month ranged from 0.20 peso for female agricultural workers and for industrial and commercial workers in Capiz to 9.50 pesos for mechanics in Davao. The minimum, maximum, and average wages per day in these and other designated Provinces are shown in Table 3, which was compiled from data in the Philippine Labour Bulletin (Manila), May 1939.

<sup>2</sup> Peso = about 50 cents.

TABLE 3.—*Daily Wages in the Philippines, by Province, Industry and Occupation, April 1939.*

Province, industry, and occupation	Wages or earnings per day		
	Minimum	Maximum	Average
Albay, Sorsogon, and Catanduanes:			
Agriculture:	<i>Pesos</i>	<i>Pesos</i>	<i>Pesos</i>
Abaca strippers.....	0.15	0.40	0.25
Rice planters.....			(1)
Rice plowmen.....			(2)
Industrial labour.....			
Abaca.....	.25	.60	.40
Abaca classifiers.....	.80	1.25	1.00
Copra dryers.....	.70	1.00	.80
Copra loaders.....			.90
Commercial workers.....	(3) 9.00	(3) 30.00	(3) 15.00
Bataan:			
Agricultural labourers.....	.50	1.00	.80
Industrial labourers.....	1.00	1.30	1.10
Commercial workers.....	.50	.90	.60
Batangas:			
Agricultural workers.....	.60	1.30	
Sugar centrals, common labourers.....	.70	1.20	
Sugar centrals, skilled labourers.....	1.45	3.00	
Cagayan:			
Agricultural labourers.....	.50	1.00	.70
Industrial workers.....	.72	2.00	1.00
Commercial labourers.....	(2) 6.00	(3) 45.00	(3) 15.00
Camarines Norte (Jose Panganiban): Mining employees.....	1.00		
Camarines Sur:			
Agriculture:			
Abaca cleaners.....	.30	.80	.50
Coconut planters.....	(4) .25	(4) .40	
Rice-field common labourers:			
Without implements and water buffalo.....	(4) .25	(4) .50	
With implements and water buffalo.....	.50	1.00	
Industrial workers:			
Lumber industry:			
Large enterprises, common labour.....	.80		1.20
Small enterprises.....	.60	1.70	.80
Mining industry:			
Surface labour.....	.70		1.40
Underground labour.....	(1) .00		1.40
Rice-mill labourers.....	(4) .50	(4) .80	
Tobacco manufacture, labourers.....	.20	.70	
Capiz:			
Agricultural labourers, female.....	(5) .12	(5) .20	
Agricultural labourers, male.....	(5) .20	(5) .30	
Industrial workers.....	.15	.20	
Commercial labourers.....	(6) .10	(6) .20	
Cavite:			
Agricultural workers.....	.80	1.00	.70
Industrial and commercial workers.....	.70	.80	.75
Cotabato:			
Agricultural labourers.....	.40	.80	
Industrial workers.....	(3) 12.00	(3) 30.00	(3) 20.00
Commercial establishments, small, labourers.....	(3) 8.00	(3) 35.00	(3) 15.00
Davao:			
Common labourers.....	.40	1.00	
Industrial workers, mechanics.....	1.50	9.50	
Commercial workers, hemp classifiers.....	1.50	2.50	
Ilocos Norte:			
Carpenters, skilled.....	(4) .50	(4) .80	
Construction workers (private).....	(4) .25	(4) .35	
Iloilo and Antique:			
Agricultural workers.....	.40	.70	.60
Industrial workers.....	1.00	2.00	1.50
Commercial workers.....	.70	1.50	1.10
Isabela:			
Agriculture: Farm labourers.....	(7) .50	(3) 1.00	
Public works: Labourers on "pakiao" (9) system.....			.80
Lumber industry: Sawyers.....	.80	1.00	
Isnao: Industrial common labourers.....	.67	1.23	.75
La Union, Abra and Southern Ilocos Sur.....	.40	1.00	.60

(1) Prevailing wage 0.15 peso per day with 2 meals.

(2) Prevailing wage 0.50 peso per day with 0.25 peso additional if they use their own water buffalos (*carabaos*).

(3) Per month.

(4) With 2 meals.

(5) With free board.

(6) Per hour.

(7) With subsistence.

TABLE 3.—*Daily Wages in the Philippines, by Province, Industry, and Occupation, April 1939—Continued*

Province, industry, and occupation	Wages or earnings per day		
	Minimum	Maximum	Average
<b>Leyte:</b>	<i>Pesos</i>	<i>Pesos</i>	<i>Pesos</i>
Agriculture, private, labourers.....	0.30	0.50	0.04
Industrial workers.....	.50	.70	.60
Commercial workers (labourers).....	.50	.80	.65
<b>Negros Oriental:</b>			
Agricultural labourers.....	.40	1.50	.55
Industrial labourers.....	.50	1.50	.70
Commercial workers.....	.40	1.00	.50
<b>Nueva Ecija:</b>			
Agricultural labourers.....	.35	.75	.65
Industrial labourers.....	.60	1.50	1.00
Government project labourers.....	1.00	1.50	1.20
<b>Pampanga: Common labourers, male and female.....</b>	.30	1.25	
<b>Surigao and Agusan:</b>			
Agriculture: Coconut huskers.....	1.00	2.00	1.50
Industrial labourers.....	.60	2.00	
Commercial establishment, small, labourers.....	.25	1.00	
<b>Romblon:</b>			
Agricultural common labourers.....	.20	.30	.25
Industrial workers.....	.50	.70	.60
Commercial workers.....	.50	.70	.60
<b>Tayabas: Labourers.....</b>	(10) .35	(10) 1.20	(10) 1.00
<b>Zambales:</b>			
Agricultural common labourers.....	.30	.40	.55
Industrial common labourers.....	.85	1.50	.85
Commercial common labourers.....	.80	1.00	.95
<b>Zamboanga, City of:</b>			
Agricultural labourers.....	.40	1.00	.60
Industrial labourers.....	.40	1.20	.80
Commercial labourers.....	.50	1.00	.75

10 Those receiving under 1 peso usually are provided with free board.

#### VACATIONS WITH PAY

There was no uniform practice concerning vacations with pay. Paid vacations were more commonly provided for salaried employees than for the wage-earners, as the latter were usually employed in seasonal occupations in which regular vacations were not considered necessary. Among minor office employees, also, there were so many informal leaves of absence that regular vacations were not common. The upper clerical group, however, generally had annual vacations ranging from 15 days to a month, and usually with full pay, although some received half pay only.

#### LABOUR ORGANISATION.

Prior to the Japanese invasion, labour unions in the Philippines were patterned after similar organizations in the United States, with higher wages and better working conditions as their objectives. In

1938, it was reported that four organizations accounted for most of the unionized workers. These were the Philippine Labour Federation, the Federacion Obrera de la Industria Tabaguera de Filipinas, the National Labour Union, Inc., and the Philippine Labour Union. The membership of these was drawn, respectively, from the employees of the sugar centrals; the tobacco industry; the cordage, transportation, communications, iron works, lumber, embroidery, and general merchandising industries; and the sugar centrals, mining, coconut, embroidery, transportation, and cigar and cigarette industries.

As of December 31, 1938, the membership and branches of the 80 registered labour organizations were as follows:

			<i>Number of branches</i>	<i>Total membership</i>
Total, all organizations	..	..	.. 108	46,456
Confederated Workers' Alliance	..	..	.. 1	207
Federacion Obrera de Filipinas KMP	..	..	.. 9	5,626
Federacion Obrera de la Industria Tabaguera de Filipinas	..	..	.. 6	2,405
Kapisanan Ng Mga Manggagawa sa Manila Railroad Co.	..	..	.. 14	1,104
National Federation of Chauffeurs	..	..	.. 1	320
National Labour Union, Inc.	..	..	.. 44	8,480
National Workers' Brotherhood	..	..	.. 5	843
Philippine Labour Union	..	..	.. 28	8,265
Other independent unions (72 organizations)	..	..	..	19,196

Labour unions came under the supervision of the Philippine Government in 1936. A law of that year required them to register, and to submit annually a list of their members and the minutes of their meetings, but provided that no employee was to be prevented from joining, or dismissed for having joined, any registered legitimate labour organization. The law also recognized the unions' right of collective bargaining with employers to obtain better working and living conditions, fair wages, shorter working hours, and the promotion of the material, social, and moral well-being of their members.

#### INDUSTRIAL RELATIONS.

##### *Collective Agreements.*

Up to the time of the Japanese invasion, although collective bargaining had developed at least moderately in the unionized industries,



the labour organizations included only a small portion of the working population. Moreover the collective agreements that were made did not necessarily apply to an entire union. They often were negotiated between an employer and a small group of workers in his plant, or between an employer and certain members of a union. Although there is no available record of the total number of collective agreements, those that resulted from the settlement of industrial disputes in 1939 and 1940 were reported by the Philippines Department of Labour. During those years, 214 such agreements, affecting 19,725 workers, were concluded.

### *Conciliation and Arbitration.*

A law of 1938 related to disputes between landlords and tenants as well as to those between employers and employees. When no settlement could be reached by the parties, special Government mediators were to invoke mediation and conciliation procedures. If this step failed, arbitration was the next resort—if the disputants were agreeable to the idea. In that event, a board was created, which consisted of one of the special mediators as chairman, one representative of the landlords or employers, and one chosen by the tenants or employees. Board findings were to be submitted to the Court of First Instance of the Province in which the controversy arose, and the court was given 10 days in which to render its decision. Appeal could be made to the Philippine Supreme Court.

State action in industrial disputes was also provided for by an act of 1936, which created the Court of Industrial Relations. The presidentially appointed judges of this court were to be assisted by local boards of inquiry composed of not more than 6 members each from lists prepared by employer and employees, and not more than 3 experts in sociology, welfare work, labour problems, or industrial and agricultural economics and administration. Cases to be heard by the court had to be certified to it by the Philippine Department of Labour or by the party or parties concerned, and had to relate to such points as wages, hours, or conditions of work, involving more than 30 persons. Once a case had been submitted to the court—only after the failure of all efforts to bring about an extrajudicial accord—the parties involved were required to comply with all orders which the court issued.

While a case was pending, the employer was not to hire substitute workers without permission of the court, and in the event of a strike, no strikebreakers were to be employed within 15 days after its inception. On the other hand, if a strike had not already occurred at the time the case was taken by the court; employees were forbidden to resort to such action. Appeal from the court's decision could be made to the Supreme Court.

### *Labour Dispute.*

From 1929 to 1940, strikes, threatened strikes, and lockouts that were registered in the Philippines totaled 900. The greatest number, 222, occurred in 1939, and involved 28,104 workers. Among causes for disputes, wages stood first, with 556 cases. Of the 900 industrial differences, 543 were settled in favour of the workers, 203 in favour of the employers and 154 were referred to the Court of Industrial Relations. Labour disputes were on the increase prior to 1940, but in that year a noticeable drop occurred which may possibly be explained, in part, by a ruling of the Philippine Supreme Court. The Court held that workers did not have the right to strike; that the provisions of the Constitution for compulsory arbitration of labour disputes were for the purpose of avoiding strikes; and that the act creating the Court of Industrial Relations was intended to supply an 'adequate instrumentality to forestall strikes'.

### CO-OPERATIVE MOVEMENT.

Co-operatives of the modern type have existed in the Philippines since early in this century, and were introduced from the States. The Philippine Government became interested and took the lead in promoting and encouraging such associations. The principal types now found in the Commonwealth are, in order of the date of their introduction, agricultural credit, farmers' marketing, consumers', industrial, and credit. The Government has also encouraged the formation of private dealers' co-operatives.

In 1916, although the Bureau of Agriculture established agricultural credit co-operatives for farmers, to help them get out of debt to their landlords and to the Chinese (who were the traders and who also controlled the transportation system), these organizations gradually

became inactive. The task of reviving the agricultural credit co-operatives was delegated to the Bureau of Commerce in 1933. At the outbreak of World War II, the revitalized credit associations numbered 570 and were found in some 43 Provinces. They had a total membership of about 105,000 and a circulating capital of 3,300,000 pesos.

The co-operative marketing movement was started in 1923, by the Bureau of Commerce and Industry. The Bureau's efforts led to enactment of the co-operative marketing law of 1927, one of the chief purposes of which was to shorten the route of agricultural products between producer and consumer insofar as it could be done efficiently. The Bureau of Commerce and Industry was given supervision over co-operative marketing associations. Under the Bureau's leadership, 185 such associations were registered from 1928 to 1940.

Starting in January 1938, the Bureau of Commerce organized and promoted consumers' co-operative associations and organizations of Filipino retailers for co-operative buying. Later, the Consumers' Co-operative League of the Philippine Islands was formed. In 1940, consumers' co-operative associations numbered 68, with a total membership of some 7,000. These co-operatives were largely urban, and were found especially in Manila and in Cavite.

Among the more recent types of co-operatives organized by the Government were the Co-operative Association of Shoe Manufacturers in Mariguina, Rizal; the associations among the abaca planters in the Bicol region; the Buenavista Co-operative Marketing Association, composed of farmers and tenants of the Buenavista estate in the Province of Bulacan; and the various co-operatives organized by the Land Settlement Administration in Mindanao. There is a co-operative college in the Philippines—Union College of Manila, established under the auspices of the Evangelical churches of the Philippines. The members of the college association elect the board of directors of the college, and they in turn elect the administrative officers of the institution. The Emmanuel Co-operative Hospital, the first medical co-operative in the Islands, was opened in Manila in 1936. Its primary object was to enable families of moderate means to obtain the best available medical care at rates they could afford, and to have access to medical advice at any time. The following reductions on operations and treatments were allowed to members: 10 per cent. on amounts less than 100 pesos, 15 per cent. on amounts from 100 to 150

pesos, and 20 per cent. on those of more than 150 pesos. Likewise, for members, bed fees were 15 per cent. less than the average in other hospitals of the same class. By 1940, the membership consisted of 644 families.

The first credit union in the Philippines was organized by a missionary from the United States in 1938. By 1941, there were 23 parish credit unions with 1,800 members, 40,000 pesos in share capital, and 60,000 pesos outstanding in loans to members. There were also 2 educational credit unions, 2 Government employees' credit unions, and 2 which had been formed by the members of consumers' co-operatives.

#### SOCIAL INSURANCE.

The economic, political, and social situation in the Philippines has not been conducive to the rapid growth of social insurance in many of its occidental forms. Traditionally, each family group has performed those functions associated in western countries with pensions, insurance, and care of the aged and the sick. Consequently, the State confined itself to enacting laws governing accident compensation in industrial and agricultural matters and to providing pensions for certain classes of the population.

*Workmen's compensation.*—By 1939, employers of 30 or more workers in any industrial, commercial, or agricultural establishment were required by law to provide free emergency medical and hospital facilities for those employees whose monthly salary or wage did not exceed 50 pesos. In the event of personal injury, illness, or death arising out of performance of duty, the employer paid compensation or death benefits, and provided the required medical, surgical, and hospital services and supplies during disability.

Legislation required the employer, in event of the employee's total disability to pay compensation—after the first 7 days—of from 4 to 18 pesos, for not more than 208 weeks. Partial disability called for payment of up to 10 pesos weekly for not longer than 208 weeks. In the event of death resulting from the occupational activity of the employee, the employer was obligated to pay up to a maximum of 100 pesos for burial expenses, and pensions ranging from 25 to 50 per cent. of the average weekly wages of the deceased, to the latter's surviving dependents. These pension payments were to continue for not more than 201 weeks.

*Pensions for public employees.*—During the period 1916-19, the Philippine Government established pensions for certain classes of persons. Thus, teachers after 20 years of service were entitled to pensions ranging from 40 to 80 per cent. of their average compensation for the 3 years preceding retirement, but not to exceed 6,000 pesos. The fund from which these payments were made was supported by a contribution of 3 per cent. of the teachers' monthly basic salaries and an annual State appropriation equal to 3 per cent. of the total annual appropriation for teachers' salaries.

Under the pension law of 1924 any officer or enlisted man of the Philippine Constabulary, 55 years of age and with 20 or more years of service, was entitled to an annual pension equal to 2.5 per cent. of the total pay received by him during his period of service, but not exceeding 75 per cent. of his annual salary at the time of his retirement. In 1924, the Government also provided a contributory pension plan for certain officers and employees of the Public Health Service, after 20 or more years of service and after completion of 10 full years' contribution at the rate of 3 per cent. of salary. Such employees were to receive an annual pension equal to 2.5 per cent. of their salary, at time of retirement, for each year of active service, but not exceeding 75 per cent. of such salary.

### Labour Conditions Under Japanese Occupation.

#### GENERAL EFFECTS OF INVASION.

The Japanese occupation disrupted the Philippine economy severely. All Americans and nationals of other belligerent countries were interned. Practically all business houses were closed. In addition, factory operation in the occupied areas was brought to a stand-still because the invaders either stripped the factories of their supply of oils and basic materials or failed to grant permits enabling the mill owners to obtain necessary materials. Further economic dislocation resulted from the shift of emphasis, under the Japanese, among agriculture, mining, and manufacturing industries. Sugar production (one of the leading industries of the Philippines) was relegated to the background and its place was taken by the cultivation of cotton. The mining of copper became more important than gold mining. The soap, tobacco, and liquid-fuel industries were stimulated.

Another unsettling factor of prime importance was the introduction of paper money. Japanese military notes (which were placed in circulation to an amount of 100,000,000 to 150,000,000 pesos) were decreed to be the legal tender of the Philippines, although the Philippine peso was also allowed to circulate.

#### EMPLOYMENT.

The invasion's effects on labour were first evident in the field of employment. The stoppage of industry and changes in agricultural production resulted in throwing large numbers of persons out of work. As a result, many government agencies, and various projects, were established by the Japanese to provide work. Relief projects, including work on military construction and such industries as toothbrush manufacture, were inaugurated. The authorities transferred from Japan to the Philippines machinery for the textile industry, and this action, according to the Japanese, provided considerable employment in the cotton-raising areas. In addition, many Filipino prisoners of war were inducted into the Philippine Constabulary. In many instances, when urban employment could not be found, the unemployed were transported back to their original homes in the Provinces.

Some idea of the extent of the employment problem can be gained from the fact that two agencies were said by the Japanese to have placed more than 117,000 persons during the period from the middle of 1942 to September 1943. There are many indications that these figures included not only the persons who were seeking employment, but also those who were forced to work. If employment was available, the Filipino was compelled to accept it. This practice was legalized in the constitution of the puppet Republic of the Philippines, which declared it to be the duty of every citizen to engage in a useful calling, occupation, or profession.

#### WAGES AND HOURS.

It was a definite policy of Japan to reduce wage standards in the Philippines to the general level prevailing on the Continent of Asia. The Japanese reversed the wage and hour trend that the Philippine Commonwealth had inaugurated. Under the Commonwealth, a minimum daily wage of 1 peso in the Provinces and 1.25 pesos in



Manila had been established, and the legal workday was 8 hours in length. The invaders repealed all laws which provided for minimum daily wages and maximum hours of labour. A maximum daily wage of 80 centavos for unskilled male workers was ordered for the city of Manila. In the Provinces the maximum was set at 64 centavos. Later (in July 1943), as a result of greatly increased living costs, the maximum wage for workers was raised to 1.30 pesos per day unless the employer provided meals. In that case, the wage was to be approximately 0.91 peso.

The length of the workday was increased substantially, both in private enterprise and in Government offices, but no data are available as to the exact number of hours per workday. For overtime male workers in Manila were to receive time and an eight.

#### COST OF LIVING.

That the cost of living by November 1943, was out of control, at least in Manila, was indicated by statements made at that time by a radio commentator. Speaking from Manila, and alluding to the rise in prices, he was quoted as having said: 'the main problem today is not how to live, but how to exist. This is what is happening to our middle-class people, and what the conditions of the poor people are is not difficult to imagine.' Similar comments were made by an authoritative source late in 1943. It was stated that the position of workers and salaried employees was extremely bad. Even with increases dictated by the Government, the income of such persons was said to be insufficient to cover the cost of absolute necessities. In the flourishing black market, by September 1943 the cost of living (measured in terms of the Japanese military peso) had increased to at least 5 times its pre-war level, while many commodities were priced at 10 times their pre-war prices.

Attempts were made to control prices. The scale of rents in Manila was reduced, and all rents there were frozen at the lower level. Commodity after commodity was placed under 'control' at a fixed price; usually, the result was that such products became difficult to obtain. However, in the case of rice, which is the basis of the Philippine diet, the Japanese established both price control and rationing, and its distribution was placed under the control of the Filipino Rice Co., founded by the Military Administration. Later, the price of fish, the

other principal food, was controlled, but in the meantime price increases of from 66 $\frac{2}{3}$  to 250 per cent. had already taken place.

#### CONTROL OF LABOUR.

As in other Axis-dominated countries, the Japanese placed all labour under the direct surveillance of the Government. Pre-invasion labour unions were outlawed, and all the activities generally associated with such organizations either were taken over by the authorities or were abolished. To take the place of the former unions and pave the way for centralised control of the labour force, a 'labour front'—the Central Labour Union—after the German model was created in Manila.

#### CO-OPERATIVE MOVEMENT.

Imitating the Axis pattern employed in several other occupied lands, the Japanese maintained the outward semblance of the Philippine co-operative movement. The co-operative framework, as it had existed under the Commonwealth, was continued and expanded, with the addition of Japanese technical and financial assistance but adapted to serve Japanese objectives.

Co-operatives were encouraged in those lines in which increased production was especially desired by the military authorities. Thus, with the Japanese interested mainly in Philippine agriculture, by February 1944, the most numerous types of these organisations were the farmers' or producers' co-operatives, of which there were 206, with a membership of some 87,000 farmers.

Also, as a measure to gain the goodwill of the Filipinos, the Japanese encouraged co-operatives in retail businesses which formerly had been controlled by the Chinese.

#### Labour in the Constitution.

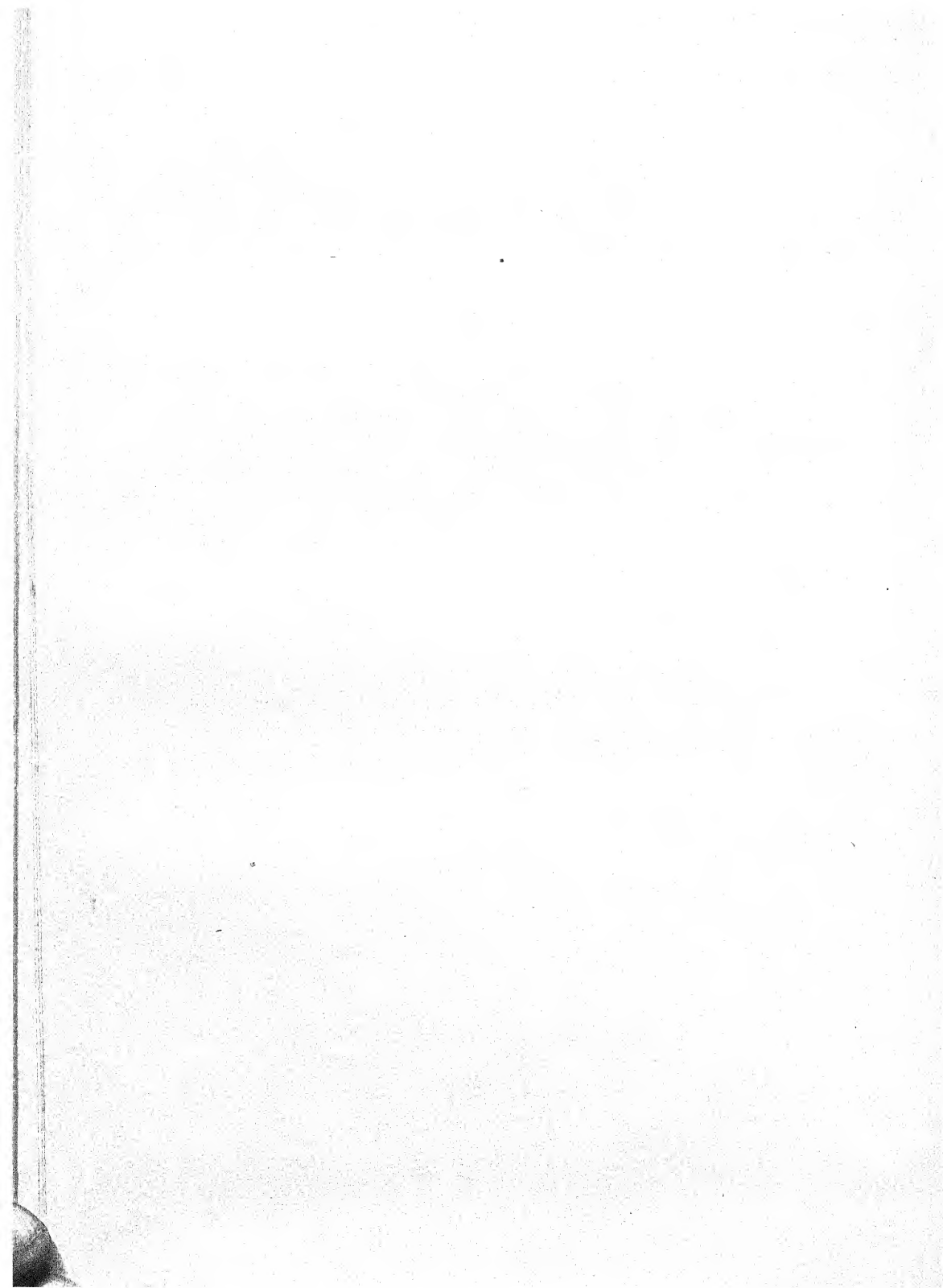
The Philippines became an independent Republic in 1946 and is one of the 51 original signatories to the Charter of the United Nations. Governmental organisation in the new Republic is based on the Philippines Constitution of 1935, under which labour affairs are dealt with by a Secretary of Labour in the President's Cabinet. Within

the Department of Labour are the following bureaus :—

Office of the Secretary;

Administrative, Labour Inspection, Safety Inspection, Public Defenders, Claims, Labour Statistics, Social Improvement, Workmen's Compensation, and Medical Inspection Divisions or Services;

Labour Organization, Women and Children, Civil, Wage Claims. and Strikes and Lockouts Sections.



## LABOUR IN INDO-CHINA.<sup>1</sup>

### Summary

The population of Indo-China is extremely varied; physical characteristics, language, religion, the degree of civilization, and the mode of life vary from district to district. The three main groups of the population are the Annamites who form much the largest group, the Cambodians, and the Thai. French supremacy over the several kingdoms of Indo-China was established between 1862 and 1884 and the Indo-Chinese Federation or Union was created in 1887. In keeping with traditional French colonial policy, Indo-China was developed strictly as an appendage to the economy of France and has long been known as one of the most intensively exploited colonial areas in the world. Rice is the chief agricultural product, although a considerable amount of corn and rubber are grown. The country possesses valuable natural resources. The coal reserves, chiefly of high-grade anthracite, are very large and there are many valuable forests.

French Indo-China had a population in 1936 of approximately 23,030,000, including 42,260 Europeans and 326,000 Chinese. The peasants, numbering more than 18 million, depended for their meagre livelihood principally on rice growing and handicraft industries, while about 1,350,000 persons were dependent solely upon handicrafts. The wage-earning group was very small, numbering only about 220,000.

In 1937 the average daily wage of skilled workers in the north was 0.63 piaster, of men labourers, 0.29 piaster, and of women labourers, 0.19 piaster. In the south the average was 1.17 piasters, 0.61 piaster, and 0.42 piaster, respectively. The piaster, which was equivalent to 10 French francs, was worth about 39 cents in United States currency at that time. Daily wages of men workers therefore ranged from about 11 to 24 cents in the north and from 25 to 46 cents in the south. The average for women workers was from 7 to 16 cents. the 10-hour day and 60-hour week prevailed in Indo-China

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1. Reprinted, with the kind permission of the Bureau of Labour Statistics, U. S. Department of Labour, from the Monthly Labour Review of July, 1944.

until the enactment of a French law in 1936 which provided for a progressive reduction in hours to 8 per day as of January 1, 1938. After war broke out in Europe, the French legislation lengthening hours was applied in Indo-China by local orders.

After the collapse of France, in June 1940, the Japanese by successive encroachments and through agreements concluded with the Vichy Government obtained a wide measure of control over the material resources of the country and over the people. The Annamites, the predominant race both in numbers and ability, were reduced virtually to the position of slaves who were required to work for the establishment of Japanese control over Asia.

### **Economic Background Under French Rule**

French Indo-China includes the Colony of Cochin-China, the protectorates of Annam, Cambodia, Tonking, and Laos, and the territory of Kwangchowan on the coast of the peninsula leased from the Chinese Government in 1898 under a 99-year lease. The French occupation of the country began in 1862 when the King of Annam ceded Cochin-China to France. French intervention in the affairs of Annam, which began as early as 1787, culminated in a treaty signed in 1884 by which a French protectorate was established over that section of the country. The protectorate of Cambodia was established in 1863, that of Tonking in 1884, and Laos territory in 1893. The Indo-Chinese Federation or Union was created in 1887.

Indo-China forms part of the region known as the "rice granary the Orient." French capital investment in the colony was concerned with the production of agricultural and mineral raw materials and ruled out the development of any local industries which might in any way compete with the products of French manufacturers. As a result, the great majority of Indo-China's population remained in a state of extreme poverty, dependent for their meagre livelihood on rice growing and handicraft industries, the only market for imported manufactures being provided by the European residents, the wealthy Chinese, and the small group of the local population that had taken to European ways.

In spite of the opposition to the development of modern machine manufacturing, industries have developed in recent years, and several



have introduced Western mechanical techniques for the processing of certain agricultural products.

Only a limited degree of industrial development was possible under a French Administration, that was strongly opposed to any attempt by French, as well as by indigenous or Chinese, capital to develop secondary industries. There was, however, an increasing recognition in France after the world depression that some form of industrialization programme was essential for the solution of the acute problem of unemployment in the densely populated delta regions. Also, it was argued that such a programme would raise the purchasing power of the Indo-Chinese people and thereby enable them to buy more French goods. French manufacturing interests, however, maintained that the markets for the proposed new industries would not be sufficiently large to justify the capital investment required and that industrialization would increase rather than lessen unemployment by wiping out indigenous handicraft industries.

By 1938 the French Government had slightly modified its attitude toward industrialization in Indo-China to the extent of approving a programme for the economic development of the colonial empire formulated by the Minister of Colonies, but, as finally adopted, the plan for Indo-China was an extremely limited one.

The most important agricultural crop, as already stated, is rice. The area under cultivation had grown from about 9 million acres when the French came, to nearly 14 million acres in 1937, Indo-China having become the third rice-growing country in the world. The area under corn had grown from about 25,000 acres in 1900 to over 1,200,000 acres in 1937, as a result of the efforts of the French Government to ward off the dangers, which would develop from dependence on a single crop, and the local crops of tapioca, soya beans, and sweet-potatoes also had a remarkable development. One important step toward diversification was taken when rubber planting was established, production having risen from 35 tons in 1911 to 50,000 tons in 1936.

The country possesses valuable natural resources. The coal reserves, chiefly of high-grade anthracite, have been estimated to total 20 billion tons. There are substantial tin deposits in Tonking and Laos, and smaller amounts of iron, tungsten, manganese, antimony, zinc, and lead. The early years of the French occupation saw the investment of large sums, first in the search for deposits,

and then in their development. However, coal has always held the dominant position in Indo-Chinese mining and the exploitation of the other mineral resources of the country has been carried out on a relatively small scale.

Indo-China is divided into three main economic areas: (1) The territory tributary to Saigon (Cochin-China, Cambodia, Southern Laos, and Annam south of Cape Varella) which, apart from the fisheries on the coast and the interior lakes, is almost entirely agricultural, being one of the great rice regions of the world. (2) The region tributary to Haiphong (Tonking and the three northern districts of Annam) which is devoted to agriculture, mining, and manufacture. (3) Central Annam (the region between Porte d'Annam and Cape Varella), with Tourane as the principal port, which is mainly agricultural but is not a great rice-growing district. High mountain ranges in the north provide valuable tropical hardwoods, bamboo, lacs, herbs, and essential oils. Fishing is a secondary but important occupation, as fish forms a major article of diet, while a considerable surplus is exported to neighbouring areas.

### Racial and Geographic Distribution of the Population.

French Indo-China has an area of about 740,400 square kilometres and a population in 1936 of approximately 23,030,000, including 42,260 Europeans and assimilated persons, 22,655,000 Indo-Chinese, 326,000 Chinese, and 5,400 Indians and other Asiatics. In 1937, the Europeans and naturalized persons numbered 38,880, of whom 23,903 were males and 14,977 females. In addition there were 3,465 foreigners of whom 231 were Japanese, 138 British, 94 Americans, and 3,002 other nationalities.

Tonking and Cochin-China are the most densely populated areas, averaging 75 and 71 inhabitants per square kilometer, respectively; while the average in Annam is 38, in Cambodia, 17, and in Laos, 4. However, certain areas, particularly North Annam and the Tonking delta, are greatly overcrowded. In the delta lands of Tonking the number of inhabitants exceeds 500 per square kilometre.

*The Indo-Chinese.*—The population of Indo-China is extremely varied in its characteristics and mode of life. This heterogeneity is largely accounted for by the topography of the country which presents a striking contrast between lowlands and highlands. The lack

of any easy means of communication between the mountainous section and the lowlands has had the result that every part of Indo-China lives more or less its own life, and local interests are of much more importance than the general interest.

The three main groups of the population are the Annamites who are the most intelligent element of the population and who form much the largest group (about 16½ million), the Cambodians (about 2½ million), and the Thai who are Mongolians, originally coming from China (about 1,400,000). The mountain peoples of Tonking and Upper Laos fall into four groups—the Man, the Meo, the Lolo, and the Muong—whose social organization is extremely rudimentary. The highlanders of the Annam Range are a group of primitive peoples whose political organization has not progressed beyond the clan stage. They are estimated to number between 400,000 and 600,000. In addition there is a numerically small Chinese element—about 400,000—which plays an important part, however, particularly in commerce.

*The Chinese.*—There was constant stream of Chinese immigration between the ports of China and Annam for a great many years. In most cases these immigrants arrived in groups and then spread through the towns and district markets, to which they were attracted by the growing trade. The Chinese showed remarkable aptitudes for trading and money lending, and these characteristics, which contrasted sharply with the carelessness and simplicity of the Annamites in money matters, made it all the more easy for them to do business. Before the arrival of the French in Indo-China, they had established a hold over the whole country, owing both to their capacities and to the favor with which they were received and treated. They received the same civil rights as the Annamites and were entirely free to acquire and dispose of property and to carry on business. The Annamites Government, moved by political reasons and the desire to facilitate its administration, grouped the Chinese in communities or “bangs” under the orders of chiefs who were responsible for keeping order and paying taxes.

The Chinese were quick to take advantage of the Annamite's perpetual need for credit facilities. They lent money at 60% per annum and took over the rice crops of defaulting debtors. They soon had a monopoly of the salt, alcohol, and opium markets and almost a monopoly of the export trade in rice. In short, they soon succeeded in capturing practically the entire trade of the country.

The French occupation did not change this state of affairs to any appreciable extent. The Chinese, firmly established in the country for many years and speaking the Annamites language, seemed in many respects to provide a useful link between the victors and the vanquished. They thus became the caterers to the French army of occupation, and the French Administration even farmed out indirect taxation to them. The framework of the communities (the former "bangs") was retained by the French, as this system had the advantage of simplifying the relations of the authorities with the Chinese.

A Franco-Chinese Treaty of 1930, effective in August 1935, guaranteed the Chinese in Indo-China treatment at least equal to the most-favored nation there. As a result they were entitled to the same rights in the law courts as the British or Americans. This placed them in a more favourable position than the Annamites, particularly in regard to labour legislation. The community system was strengthened by an order of the Governor-General, in December 1935, which recognized the communities as incorporated institutions, a right which had not previously been conferred on them.

### Land Ownership and Customs

The system of property ownership in the Annamite countries results from the organization of the commune and the family. The village community, which is the basic administrative unit of the country, is a very strong corporative body and owns part of the land constituting its territory. The communal land, aside from the land used for pagodas, is distributed in equal shares and according to their qualifications to each member of the collective association which forms the village. The land which does not form part of the property of the village is divided among the registered members of the community and each head of a family possesses authority and prerogatives in his own family but is limited as regards the administration of his property by restrictions similar to those applying to communal land. He may not dispose of the family pagoda (*huong hoa*) the income from which is devoted to ancestor worship and is left to the eldest son. The remainder of the land is divided equally among all the male children. The fact that the registered members of the community are obliged to perpetuate the worship of their ancestors and to care for their tombs makes it very difficult to acquire land in prosperous communities.

Those whose names are not on the village register do not possess any land of their own. They merely have the right to use their share of the village land which is distributed every 3 years. These persons and any strangers constitute a floating population from which are recruited the craftsmen, the workers for industry and public works, and some of the agricultural workers for the concessions.

## The Working Population

### INDEPENDENT WORKERS

*Handicraftsmen.*—Before the French occupation the craftsman played an essential part in the Indo-Chinese communities. The communities were predominantly agricultural, and then, as now, the cultivation of rice was the basic economic activity of the country. As there was very little division of labour and the requirements of the inhabitants were few and easily satisfied, every peasant was at the same time, to some extent, a craftsman. He could make all that he required for his personal needs. All the work was done in accordance with traditions and religious rites, and the technique was so simple that a very short period of training was sufficient.

In addition to these rural craftsmen, however, there was a body of more definitely specialized craftsmen, whose existence was due to the need for greater technical skill or the localization of the raw materials in particular geographical areas.

Another group of skilled craftsmen, of higher but equally ancient standing and equally bound by tradition, existed in several towns where their work was closely connected with certain religious or social activities. It was the artistic industries, particularly flourishing in Cambodia, which were carried on by these craftsmen who were either monks or retainers of the aristocracy.

The settlement of French colonists in Indo-China had practically no influence on the life of the rural inhabitants, who continued to rely on their home industries for their household needs and clothing. The survival of the traditional handicraft industries must be viewed, therefore, as the result primarily of their suitability to local needs and the inability of the masses of the population, especially in rural areas, to afford the substitutes for home wares offered by overseas industry. There has been a good deal of industrial specialization,

principally in the deltas of the north, where it was encouraged by the excessively dense population. Most of these craftsmen own land which they cultivate themselves. Thus, their industrial work is considered as temporary work, and as soon as they can acquire enough land they devote themselves entirely to agriculture.

In the delta regions of the north the preparation of certain food-stuffs was found, according to a study made in 1939, to rank first among the rural industries as far as the number of persons employed was concerned. The textile industries were the next most important of the rural industries in terms of the number of persons employed, and even more important than the foodstuffs industry in terms of the value of commercial production. It was estimated, in 1938, that approximately 1,350,000 persons were completely dependent upon traditional handicraft industries for their livelihood, while a very large proportion of the farming population was compelled to seek some supplementary income from household or handicraft industries.

*The peasants.*—The importance of the peasants in Indo-China will be understood when it is remembered that the economic system of the country is governed by the production of rice, which is still almost entirely in the hands of the indigenous inhabitants. In Tonking, rice growing covers practically the whole agricultural area of the delta in the rainy seasons and from 60 to 70 per cent. in dry seasons. In other States of the Union it is by far the most important indigenous crop. About four-fifths of the rice produced is used by the inhabitants and the remainder constitutes the main export product of the country. The preponderance of agriculture is shown by the fact that up to 1938 only about 220,000 wage-earners were employed in commercial and industrial enterprises, whereas more than 18 million persons were engaged in agriculture.

Under the influence of French penetration and recent economic evolution, the existing agrarian system varies considerably from the north to the south of Indo-China, as regards both the distribution of land and the methods of cultivation. Owing to the Annamite system of dividing property among the children, the holdings in the deltas of Tonking and Annam have become very small. In Cochinchina, on the other hand, there is a preponderance of very large holdings, 45 per cent. of the rice fields being in estates of from 50 to several thousand hectares. (1 hectare=2.471 acres.)



Thus, agriculture in Indo-China has gradually evolved, by different methods in different districts, to a position with two very distinct elements: On the one hand, the large and medium-sized landowners—Annamites or French—who exercise their influence through the mandarins, the local councils and chambers of agriculture, etc., their associations, and the credit system; and, on the other hand, the working masses—smallholders, tenant farmers, share farmers, and wage-earners, all more or less subject to the other group.

In general, the masses of Indo-China live in the greatest poverty. The farmer lives on his land and that is all he can hope to do; at best he can merely satisfy his most immediate needs. He is faced with starvation if the harvest is poor or if any unexpected event, such as illness or accident, involves him in unforeseen expenditure. This is true in all sections of the country, but it is in the teeming deltas of the north that life is most difficult. Many families find it difficult to live through the period from one harvest to the next. The money-lenders do a flourishing trade among these masses; high rates of interest are charged and the interest, which is paid in the form of a fraction of the harvest, reduces their assets still further. If the yield is insufficient, the land itself provides security for the claim.

Measures which were taken in later years to improve the lot of the Indo-Chinese peasants by the French authorities, but with incomplete success, were improvement of the conditions of land tenure, increasing the productivity of the soil by dredging and the construction of dikes and irrigation systems, and the organization of agricultural credit at moderate rates.

#### REGULATION OF SPECIAL GROUPS.

*Forced labour.*—Forced labour is in general not admitted by the Indo-Chinese Government. However, forced labour on the behalf of certain chiefs of the Muong tribes in Laos has been allowed to continue, as the tribesmen derive certain advantages from the system and the Government felt that it was impossible for the authorities, by the mere issuance of an order, to abolish a custom which dated back to the very earliest days of the Muong tribes.

The physical conditions of Indo-China impose certain obligations on the inhabitants in connection with the protection of dikes. This

type of work is not considered as forced labour by the Geneva Convention but as emergency work. The protection of the dike systems is of capital importance throughout the whole of Annam and Cambodia, and especially so in Tonking where the height of the Red River between banks during sudden floods is often above the level of the land.

The French Government issued a decree in August 1930, defining the general principles of compulsory labour for public purposes in colonies and protectorates which was applied in Indo-China in February 1932. This order provided that with the exception of cases of force majeure and of labour for communal services, recourse might not be had to compulsory labour except for public purposes and by way of exception, and fixed the conditions under which the levying of workers might be authorized.

Porterage which was imposed, particularly in the mountainous areas where there was a lack of means of transportation, was regulated by an order issued by the Governor-General in February 1932. This order fixed the maximum loads which could be carried by coolies and provided that compulsory porterage must be forbidden whenever it was possible to use animal or mechanical transport.

An order issued in May 1933 fixed the local scope of the general prohibition of compulsory labour introduced by the 1932 order; compulsory labour for public purposes was prohibited in the whole of Cochin-China and Cambodia and a considerable part of Annam and Tonking. In the other areas the maximum period of compulsory labour was fixed at 30 days for Tonking and 60 days for Annam and Laos.

Compulsory labour in the service of private persons is not permitted.

*Contract labour.*—Recruiting of agricultural labour under long-term contracts began in 1905 when large areas of fertile but uncultivated land were opened up in Cochin-China and Cambodia. Since these areas were too sparsely settled to provide the necessary labour the planters turned to the northern parts of Indo-China and more especially to the delta where there was an abundant labour supply. Recruiting on a large scale began in 1919 and by 1927 more than 20,000 workers were employed on the rubber plantations in the southern part of the country.

In order to carry out the proposed mobilization of indigenous

labour successfully, orders were drawn up by the General Labour Inspectorate (established in July 1927) concerning the conditions of remuneration of workers from Tonking and measures for protecting plantation coolies, including provision for deferred pay. The usual contract period under a written contract was 3 years within the country and 5 years in the South Pacific, with penal sanctions, but an order issued in 1935 provided that contracts might be for 1, 2, or 3 years.

About the middle of 1929, the world depression had caused a drop in the quotations for colonial products and especially for rubber. This decline became more marked in 1930 and 1931, and led the planters to suspend their development work and to cut down their overhead expenses by reducing the amount of labour to the minimum necessary for maintaining their plantations. Consequently, the recruiting of contract labour declined and had practically stopped between July 1931 and June 1932. The General Labour Inspectorate then took steps to lower labour costs, more especially by revising the conditions of engagement of workers. The minimum wage under new contracts was reduced from 0.40 piaster<sup>1</sup> a day to 0.80 piaster for men and from 0.30 piaster to 0.23 piaster for women, with a supplementary rice allowance for children. As a result of the wage reductions there was a revival of recruiting between 1932 and 1935 when it again declined.

The hours of work carried out on a daily basis are 10 a day, including the time going to and from work. Necessary overtime work is paid for at  $1\frac{1}{2}$  times the normal rate. A 2-hour rest period must be given during the hottest part of the day and shelters must be provided if the work place is far from the camp. One day of rest must be given each week; certain religious holidays are also given, but no food or wages are paid for these days. Wages must be paid at least once a month and within 10 days of the period for which they are due.

In 1927 a system of deferred pay was instituted by which 5 per cent. of the pay was deducted and an equal amount paid by the employer into a general fund centralized under the Postmaster-General of Indo-China. The aim of the Governor-General in instituting this system was to protect the workers against improvident habits and their tendency to squander their earnings on games of chance and to borrow money at exorbitant rates of interest, with the result that in

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<sup>1</sup> Piaster 10 French francs; exchange rate of franc in U. S. currency in 1902=8.72 cents

too many cases they returned home destitute at the expiration of their contract. As a rule the deferred pay is refunded to the workers when they are repatriated, but half the amount may be paid out during their service either to enable them to meet the expenses connected with various rites and customs on the death of a parent, wife, or child, or for their legal marriage.

*Non-contract labour.*—Until 1933, non-contract labour in Indo-China was the object of very few regulations. The administrative authorities had made an attempt to define the legal status of non-contract labour by issuing workbooks to certain classes of workers and establishing machinery for the regulation of individual and collective labour disputes occurring between worker and employers. They had also promulgated a number of laws organizing protective measures for the workers' health and welfare and in January 1933 steps were taken to regulate conditions of work.

The conditions of short-term agreements between European employers and Asiatic workers and servants were fixed by an order issued in 1899, which was originally applicable only in Tonking but was later extended to Cochin-China and the protectorates. The order limited the period for which workers could hire out their services to 1 year, apart from re-engagement, and provided that all indigenous persons working for European or assimilated persons should have workbooks. These provisions were not strictly observed, however, and measures were taken in Tonking to apply the regulations more strictly, first to skilled workers and, by an order of January 1930, to all indigenous or assimilated Asiatic employers and workers with the exception of domestic servants and indoor staff, who in an indigenous society are considered more as members of the family than as ordinary employees. An order of February 1936 extended these regulations to the whole of the Union, with the exception of servants and seasonal agricultural workers.

A system of control has grown up with the development of industry, resulting from the ignorance of European employers of the local language, by which intermediaries called "cais" are employed as agents of the employer in various capacities. In some cases the cai is appointed by the manager of an enterprise to carry out certain duties agreed upon in advance, but on his own account and his own responsibility. He may be responsible for the engagement of the workers, the organization of the work, the payment of wages, etc. In this case

the cai is really an employer and is known as a cai-sub-contractor.

In some cases the cai is hired to recruit workers in the villages and his job ends when he has conducted the workers to the establishment. In other cases the cai continues to supervise the workers recruited by himself or others, in which case he is really a foreman and responsible to the employers for the discipline of the workers under his orders. In still other instances the cai may simply be responsible for providing and cooking food for the workers.

Many corrupt practices grew out of this system, varying according to the nature and the duties of the intermediary. Some of the sub-contractors deducted such a high percentage from the payment for each job that the workers received only a small part of their earnings. Among other dishonest practices of the recruiting cais were failure to give the workers full details as to wages and living conditions prevailing at the place of employment, or to give sufficient attention to the working capacity of the workers they engaged, as well as making a profit on the various operations they carried on, such as catering, transport, etc. An order aimed at securing more responsible agents, issued in July 1930, provided that each recruiting agent must be provided with an identity paper, a personal tax card for the current year, and special authority from his employers endorsed by Resident.

### Wages, Hours, and Working Conditions.

#### GENERAL LEVEL OF PRE-WAR WAGES.

In general, wages in Indo-China consist of cash wages and payment in kind, rice, or rice and living quarters frequently being supplied to industrial and commercial employees as well as agricultural workers. In some cases the entire payment is in kind. There is quite a wide difference in wages paid in the northern and southern parts of the country, the higher wages paid in the Saigon-Cholon district being due to the scarcity of labour as compared with the overpopulated Tonking delta. Workers in agricultural and industrial enterprises are paid by the day, while servants and salaried employees are paid on a monthly basis. The wage income of the workers is actually much lower than the wage rates would indicate, for the Indo-Chinese workers earn money only a part of the year. Moreover, the wages (in addition to being reduced by the long periods of unemployment) are still

further cut by payments to the cai to keep in his good graces and by undue deductions by the employer.

In 1937, the average daily wage of skilled workers in the north was 0.63 piaster, of men labourers 0.29 piaster, and of women labourers 0.19 piaster; in the south the average was 1.17 piasters, 0.61 piaster, and 0.42 piaster, respectively. The exchange value of the piaster, prior to the devaluation of the French and United States currencies, which was equivalent to 10 French francs was about 39 cents in United States currency. Daily wages of men workers in the north may therefore be said to range from about 11 to 24 cents and in the south from 25 to 46 cents. The average for women workers was from about 7 to 16 cent.

The accompanying table shows the average wages of skilled workers and labourers in northern and southern Indo-China, 1931-37.

*Average Daily Wages in North and South Indo-China, 1931, 1934, 1936 and 1937*

Class of workers and year	Hanoi	Haiphong	Other centres in Tonking	Annam	Saigon-Cholon (Southern Indo-China)	Total, Northern Indo-China	Total, Southern Indo-China
	<i>Piaster</i>	<i>Piaster</i>	<i>Piaster</i>	<i>Piaster</i>	<i>Piaster</i>	<i>Piaster</i>	<i>Piaster</i>
<b>Skilled workers</b>							
1931.....	0.63	0.79	0.62	0.81	1.50	(1) 0.74	(1) 1.50
1934.....	.61	.58	.53	.69	1.22	(1) .62	(1) 1.19
1936.....	.54	.56	.45	.59	1.13	(1) .56	(1) 1.10
1937.....	.59	.55	.53	.62	1.20	(1) .63	(1) 1.17
<b>Labourers, men:</b>							
1931.....	.36	.37	.31	.37	.74	(1) .38	(1) .74
1934.....	.29	.30	.26	.25	.56	(1) .29	(1) .55
1936.....	.26	.26	.27	.24	.54	(1) .26	(1) .53
1937.....	.28	.30	.29	.25	.62	(1) .29	(1) .61
<b>Labourers, women:</b>							
1931.....	.22	.31	.18	.25	.45	.22	.45
1934.....	.20	.21	.15	.19	.43	.19	.43
1936.....	.18	.17	.15	.15	.38	.18	.38
1937.....	.20	.21	.18	.19	.42	.19	.42

(1) Including railroad and street-railway workers.

#### HOURS OF WORKS

The 10-hour day and 60-hour week prevailed in Indo-China up to the enactment of a French law, in October 1936, which provided for a progressive reduction in hours in Indo-China to 8 per day as of January 1, 1938, in industrial and commercial establishments.

After the outbreak of war in Europe, hours of work were lengthened in France by a decree of September 1939, and an October decree provided that no increased wage was to be paid for overtime. These



decrees were applied in Indo-China by local orders which provided that hours in industrial and commercial establishments could be extended up to 60 per week and 10 per day, with the normal hours of women 9 per day and 54 per week.

#### TREND OF COST OF LIVING AND WAGES

Comparison of the changes in wage-rates with changes in the cost of living shows that the rise in wages between 1925 and 1930 was accompanied by a nearly equal rise in living costs. Wage indexes, according to figures published in the *Bulletin Economique de l'Indo-Chine*, based on 1925 as 100, rose to 125 in Saigon in 1930 and to 120 in Hanoi, and the cost-of-living index in the two areas rose to 121.

Cost of living and wages began to decline in the third quarter of 1930, the cost of living index having fallen to 70 in Hanoi and 77 in Saigon by the third quarter of 1935. Comparable figures are not available for wages, but between 1931 and 1933 the cost of living fell by about 20 per cent. while the wage reductions were reported to have fluctuated between 7 and 17 per cent. It appears, therefore, from these figures that in the first part of the 1930's there was some increase in real wages. However, in the first part of the depression a fairly large number of workers was dismissed and the young and inexperienced were the first to go. The dismissal of the lower-paid categories of workers had the result of maintaining the average level of wages.

#### WAGE AND HOUR REGULATION

There was no wage legislation in Indo-China, except for contract workers, prior to December 1936 when a French decree provided that compulsory minimum wages should be fixed in all industrial and commercial occupations. The minimum wages were to be established without distinction of occupation or employment for each class of persons (men, women, or children) in each district, taking into account the necessities of life, provided that this did not prejudice the general employment regulations drawn up after agreement between the employers and the labour inspectorate representing the workers. The law provided that Committees should be created by the principal ad-

ministrative officers of the State, including representatives of commercial, industrial, and mining enterprises selected from a list adopted by the meetings of chamber of commerce, Indo-Chinese members of the elected assemblies, and the labour inspector of the State. The recommendations of the committees were to be ratified by orders issued by the principal administrative officers of the States.

### *Labour Administration.*

Under the administrative organization of Indo-China the French Minister of Colonies had general supervision of matters relating to labour and issued various decrees which were applied by order issued by the Governor-General of the Colony. The Secretary-General of the General Government of Indo-China, the Governor of Cochinchina, and the Residents, General of Tonking, Annam, Cambodia, and Laos, the head of the Judicial Department, the Inspector of Public Health and Medical Services, and the Inspector-General of Labour were responsible for the administration of measures for the protection of contract workers. Labour controllers were appointed by the heads of the different States from among local public officials or civil or military agents. These controllers had general supervision of the conditions of employment of contract workers and were invested with simple police powers to judge infractions of agreements by the workers.

General supervision of labour was placed under a General Inspector of Labour by an order of the Governor-General in 1927 which created a general labour inspection service. In 1932 the General Labour Inspectorate became the First Bureau of the Department of Economic and Administrative Affairs, although the reorganization was not completed until June 1935. The Inspectorate, therefore, ceased to be an independent organization.

### LABOUR CODE FOR INDO-CHINA.

Throughout 1937, under instructions from the Popular Front Government in France, the administrations of the different countries in the Indo-Chinese Union were active in giving the colony legislation drawn up along the lines of the social laws in France. Immediately upon assuming office the French Administration announced its inten-

tion to give Europeans and persons with the status of Europeans in the colonies the advantages granted to workers of the same class in France, as well as to bring about reforms for the Indo-Chinese workers designed to improve the working conditions among them.

The steps taken to give the residents of French Indo-China a labour code were: The promulgation in August 1936 of the January 1933 decree, regulating the free employment of Indo-Chinese and the employment of women and children; the decree of October 1936, reducing hours of work and prohibiting night work for women and children and providing for vacations with pay; the decree of December 1936, establishing a labour code for the Indo-Chinese and one of February 1937, giving the Europeans a labour code in harmony with labour legislation in France.

### Labour Organizations.

For various reasons there had been no opportunity for a trade-union movement to develop in Indo-China. First, the wage-earning class is of very recent formation and includes only a very small part of the population; and second, such permanent organizations as trade-unions are not recognized by law. The French Trade-Union Act of 1884 and the Trade Associations Act of 1901 had never been extended to the colony. Moreover, the right to strike was closely limited by the system of penal sanctions. In Indo-China the question of trade-union organization was complicated by the existence, side by side with the permanent workers, of a floating body of labour which accepts employment in various undertakings only during the agricultural slack season. To incorporate this body of casual workers in the trade-union movement would be extremely difficult. Moreover, trade unions must be kept alive by contributions from their members and it is doubtful whether the very low wages paid to the workers would enable the unions to accumulate sufficient reserves to defend the interests of their members.

### Industrial Relations.

*Strikes.*—The right to strike was closely limited by the system of penal sanctions introduced by the labour regulations. The order of November 1918, introducing regulations for agricultural workers in

Cochin-China, provided that any indigenous or Asiatic worker who, after signing a contract of employment with an agricultural undertaking, quit without justification and for reasons not specified in the regulations, either individually or as a result of a plan arranged with other persons, was liable to the penalties laid down in the French Penal Code. This section of the code was cancelled in France in 1884 but was still in force in Indo-China.

The French decree of April 1932 on conciliation and arbitration provided penalties of fines or imprisonment, or both, in addition to penalties which might be imposed under the Penal Code, for any person taking part or inciting others to take part in an unlawful collective cessation of work which in private public-utility services would cause prolonged inconvenience to the public and consequently would compel the Government to adopt or refrain from adopting a given line of conduct.

However, in spite of these restrictions on strike activity a movement of solidarity among the workers was expressed by collective stoppages of work which in some cases assumed fairly large proportions.

*Conciliation and arbitration.*—A French decree of April 1930 established conciliation boards in French Indo-China for the settlement of individual disputes between employers and employees arising out of the contract of employment in commerce, industry, or agriculture. The decree provided that such cases might not be referred to any court until the defendant had been summoned before a conciliation board.

Each board was divided into two sections to deal with disputes involving European employers and workers and those between Indo-Chinese employers and workers. A mixed board handled disputes involving Europeans and the Indo-Chinese. There was no appeal from the findings of the board.

### Social Insurance.

The only system of social insurance in Indo-China was workmen's compensation for accidents, introduced in 1934 for Europeans and in 1936 for Indo-Chinese.

A decree of September 9, 1934, applying to Europeans (French and others on the same footing) provided for compensation in case of accident to workers employed in industrial and commercial establish-

ments, agriculture, and forestry, whether public or private. The law provided for daily compensation and the cost of medical attendance, medicines, and funeral expenses, as well as pensions in case of permanent incapacity, and survivors' pensions. Benefits were payable if the injured persons were incapacitated for work for more than 4 days. The law was made effective January 1, 1937.

Workmen's compensation was extended to Indo-Chinese workers placed on the same footing, by a French decree of December 30, 1936. The decree provided that the methods of application should be established by an order of the Governor-General, after consultation with the chambers of commerce and the duly constituted industrial organizations, within 3 months of its promulgation.

The law covered wage-earning and salaried employees in any branch of industry or commerce or in any agricultural enterprise, and provided for compensation, payable by the employer, for any accident was caused wilfully by the injured person.

### **Labour and Industry Under Japanese Control.**

There is little specific information as to what happened to the masses of the workers in Indo-China since the Japanese during the war-period, secured control over the resources of that country. It is probable that there was little change in the laws and regulations affecting the workers, since the Vichy Government in France retained nominal control for a long time.

Since 1941, the Annamites, who form about 80 per cent. of the population were reduced almost to the position of slaves who must work for the establishment of Japanese control over the whole of Asia. Compulsory labour for Annamites between the ages of 16 and 40 years was put in effect at the beginning of 1943, according to a radio report which stated that all workers within these age-limits must undertake any work considered necessary by the Government in agriculture, industry, offices, and the army.

It was also decreed that persons inciting others to boycotts or strikes are liable to 5 years' imprisonment and a fine of 1,000 piasters. The imposition of such a severe penalty indicated considerable unrest among the workers. A pro-Allied underground movement was started in December 1942.

With the collapse of France in June 1940, Indo-China lost her

only protected market as well as the only source of capital for her infant industries. By July 1940, Japan had replaced France as the principal buyer of the country's coal, iron, salt, rubber, phosphates, and rice. Indo-China, cut off from Europe by the cessation of French shipping services, was forced to turn to Japan for her supplies of manufactured goods, raw silk, and chemicals.

In May 1941, Indo-China was virtually incorporated into the yen bloc by the signing of the Japan-Indo-China Economic Agreement which provided, among other things, for the development of the country's agricultural, mining, and hydraulic enterprises by Japanese capital, and granted free entrance into Indo-China for 40 Japanese commodities and minimum duties on 400 others. A prior agreement signed in January gave Japan the right to purchase Indo-China's exportable rice supply on highly favourable terms.

In July 1941, the Vichy Government yielded to Japanese pressure and signed an agreement for the "joint defence of Indo-China" which opened the way for Japanese military occupation of the southern part of the country. The following month, the Japanese press reported that Indo-China's economy was to be subjected to a "drastic reorganization." The French administrative officials were engaged for some months in a campaign to preserve the pre-war status of Vichy France as protector of the Federation.

In an apparent effort to secure further the cooperation of the Annamites, restrictions on the holding of important administrative posts by the Indo-Chinese were lifted and an Annamite was appointed Director of the Labour Department and another Chief Director of Economic Affairs. The appointments were reported to have been made in November 1943 under the terms of a decree issued by the Government General which authorized appointment of any French or Annamite citizen as chief or director of any government department, provided the individual was sufficiently qualified. Other Government measures designed to improve conditions of Indo-Chinese groups and thus foster a spirit of cooperation included increased educational opportunities, improved housing conditions in the larger cities, and increased and improved medical and health facilities.

#### Postscript.

On the fall of Germany in 1945, the Japanese occupying forces



set themselves up in power, virtually taking over the civil administration as well, but this phase was a short one, as Japan herself collapsed by the following August. The Annamites, politically the most awakened section in the country, resolved to utilise the opportunity to strike for freedom. The Emperor Bao Dai of Annam, a French-protected monarch, abdicated; and the republic of Viet-Nam was proclaimed the lead in the matter being taken by the Viet-Minh, a United Front comparable to the Anti-Fascist Peoples Freedom League of Burma, with the co-operation of all the major parties in Indo-China. But its activities were of no avail, since the de Gaulle Provisional Government, by a *coup d'état* in September 1945, re-established French authority over the country. Thereupon, the Indo-Chinese and the French came into open conflict and it was not till January 1946, when the socialist Marius Moutet, the now French Minister for Colonies, initiated a conciliatory policy, that an avenue for settlement was opened. This spirit of accommodation found expression in the Accord of March 1946 between M. Saintery, the French Commissioner in Hanoi and Dr. Ha Chin-Minh, President of Viet-Nam, the main points of which were the establishment of an Indo-Chinese Federation within the French Union, and the recognition of the authority of the Republic of Viet-Nam over the northern provinces of Annam and Tonking.

Within the framework of the Union, Indo-China was to enjoy economic autonomy, and provision was to be made for an Indo-Chinese Federal Government, with a Governor-General, and a State Council composed of Indo-Chinese and Frenchmen, which would control its own national affairs and budget, but would remain dependent on France in matters of defence and foreign relations. Soon after, a Viet-Nam delegation visited Paris to draw up a formal agreement on these lines, but acute differences of opinion appear to have arisen over the future of Cochin-China. Of the five main sections of the country Cambodia, Laos, Cochin-China, Annam and Tonking—the French were reported as agreeable to Annam and Tonking (which are protectorates) setting themselves up immediately as a Republic within the French Union, and to the entrance of Cambodia and Laos as semi-independent entities into the Union. But the argument was put forward that Cochin-China was a French colony, that its people resented Annamite domination and that, therefore, they were unwilling to join the Viet-Nam Republic. Dr. Ho Chi-Minh and his supporters contended that Cochin-China would join Annam and

Tonking if the issue were put to the electorate in the form of a referendum; they pointed out that the French had already agreed to such a referendum and that since Cochin-China was the granary of the country, its inclusion in the Republic was essential. By June 1946, the situation had developed to the extent of France installing a Provisional Government under Dr. Nguyen Van-Thinh, maintained by French votes, in control of Cochin China; and when, in addition, difficulties arose in the way of Viet-Nam controlling its own foreign and trade policy, Dr. Ho Chi-Minh walked out of the Paris Conference in August. Despite the failure of the Paris Conference, a patched-up agreement was signed in September 1946, only to be rendered nugatory by further serious disagreements. In November 1946, the French-sponsored Cochin-China Ministry resigned, the Premier, Dr. Nguyen Van-Thinh, committing suicide. A few days later, as a result of stray incidents between French and Viet-Nam forces, hostilities on a larger scale broke out, each party complaining that the Accord of March 1946 had been violated by the other. Soon after the socialist M. Blum became the French Premier, he declared that, according to the French republican doctrine, "the old colonial system based on possession by conquest and its maintenance by force are things of the past. Colonial possession is really justified only on the day it ceases and when the colonial people have been rendered fully capable of governing themselves. When the present crisis is overcome, our object will always be the same—the organisation of a free Viet-Nam Republic". In spite of this statement of policy, there has been no lull in the fighting, which seems to have become even more intensified towards the beginning of 1947.

# LABOUR IN CHINA.<sup>1</sup>

## Summary.

AGRICULTURE, for the most part in the form of small holdings by proprietors or tenants, constitutes the source of livelihood of the vast majority of China's population of 450 million or more. There is a general absence of mechanical equipment and of work animals, and farm labour is almost entirely a family matter. There are very few hired farm labourers. Traditionally the Chinese farm has been largely self-sufficient, as regards not only food but also clothing and other household articles. In addition, many farm families make articles for sale in the off-season.

The working population, other than that engaged in farming, falls into three main groups: (1) Independent workers, whose compensation is essentially a wage for their own labour, (2) "coolie" labourers, several millions in number and mostly unskilled, and (3) industrial workers, employed for wages on a more or less fixed basis in factories, mines, handicraft shops, etc. There were in pre-war China about 4½ million industrial workers of all kinds. Excluding the more primitive shops would reduce this number to about 3,000,000. Of these, some 2 million were employed in factories of various types, about a third being in establishments with modern equipment. In general, factory work was predominantly of an unskilled or semi-skilled character. Mechanically trained workers were relatively very few in number. Mining of all kinds employed some 2,700,000 persons, the railroads some 80,000, and approximately 28,000 were in the postal and telegraph services.

Prior to the war a large proportion of the modern factories were foreign-owned, chiefly by Japanese and British interests. The industrial centres were almost wholly in the coastal regions.

Because of the seaboard location of almost all Chinese factories they were occupied by the Japanese soon after their invasion started. Extraordinary efforts were made by Free China to move industrial equipment and personnel into the interior in advance of the Japanese.

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<sup>1</sup> Reprinted, with the kind permission of the Bureau of Labour Statistics, U. S. Dept. of Labour, from the Monthly Labour Review of January, 1945.

By 1940, more than 12,000 skilled workers had been transported to the interior, and 70 per cent. of more than 600 refugee factories were reported to be in operation. Also, about the same time, the Government stated that there were some 2,000 privately owned factories operating in Free China and that by 1942 there were almost 100 State-owned industrial plants. These figures do not include the so-called "industrial co-operatives," the rapid development of which contributed greatly to the ability of Free China to resist the Japanese aggression.

For many years prior to the present war unemployment was a serious problem in China. Although industrialization was in part responsible, much of the difficulty was due to the overpopulation and poverty of the country with the resulting scarcity of remunerative work. Other important factors were the frequent political disturbances and the not infrequent famines, which caused a migration of the working people from the stricken areas.

The prevailing wage rates for men in most lines of work were, very roughly, between 40 and 80 cents (Chinese) per day, or between, say, \$10 and \$20 (Chinese) per month; this was about \$5 to \$10 in United States currency. Skilled mechanics were paid very much more because of the extreme scarcity of such workers. Wages in the non-industrialized sections were, on the whole, much lower than in the more modern factories in the coastal areas. Hired farm labourers with experience averaged about \$100 per year with board and room. Independent workers, on the average, seem to have had lower earnings than factory workers, and this was also apparently true of the coolies. Women workers usually received from one-half to two-thirds of the rate paid to men, and children a third to a half or even less in many cases. Payments in kind or in various perquisites were common in many of the older Chinese employments. In the modern factories the most important form of wage supplement was the annual bonus at the New Year season. These annual bonuses represented a deeply rooted practice in China, and it is understood were continued by most and possibly all of the foreign-owned factories. Because, generally, both the wives and the children, as well as the husbands, worked, the annual income of the average family in China was considerably higher than the daily or monthly wage rates would indicate. An official study of a large group of Shanghai workers in 1929-30 found that barely one-half of the average annual current income came from the husband's earnings.

The pre-war living standards of the unskilled and semi-skilled workers' families, measured by Western ideas, were extremely low. Official studies indicated that the diet was deficient, that the average worker's family had almost no funds for the comforts of living or for cultural development, and that the great majority of families were more or less continually in debt to money-lenders.

The effects of the war on the Chinese economy were particularly evident in the matter of prices and cost of living, in both occupied China and Free China. Actual figures are available only for two cities—Shanghai and Chungking. In Shanghai the cost-of-living index rose from 104 in 1936 to 859 in 1941 and to over 4,000 in the latter part of 1942. In Chungking the index rose from 100 in 1937 to 1,840 in 1941, to more than 4,000 in the latter part of 1942, and had reached 43,000 at the end of 1943. Wage increases, as usual, lagged well behind price increases. In Shanghai in 1941 it was estimated that real wages were only 27 per cent. of what they had been in 1936. In Chungking it was estimated that in the latter part of 1942 real wages, including various wartime allowances for rice and housing, were about 84 per cent. of the January-June 1937 level.

Long working hours are traditional in China, but in the native industries are compensated for to some extent by a relatively slow tempo of work. In the modern factories with power equipment, closer supervision of work, and a consequent speeding up of operation, there had been a trend toward the 8-hour day, but this had not progressed very far up to the time of the war. The customary pre-war working hours in industry were from 9 to 10, with longer hours not uncommon. An inquiry by the Chinese Statistical Society, just before the war, found that the average working time in industry was 11.03 hours per day.

As there is nothing equivalent to the western Sunday in China, and no other periodic rest day, industry tends to operate continuously, except for special holidays and for special arrangements made by numerous individual plants. The influence of Western ideas has made the labour groups more and more insistent on the seventh-day rest, and this has been favoured by the National Government.

The National Government has also enacted legislation looking toward the general 8-hour day, but conditions in China were not favourable towards putting such legislation into effect, either before or since the war. Since the war began, indeed, the tendency has been to extend working hours wherever practicable.

The National Government provided by legislation for the establishment of a system of public employment offices but, prior to the war, conditions were not favourable toward the carrying out of this idea, at least on any large scale. After war came, relief agencies and the Government itself fostered employment agencies in an effort to assist in the reorganization of the labour market.

There was practically no protective labour legislation in China prior to the establishment of the Republican Government in Nanking in 1927. One of the Government's first measures was the Factory Act of 1929. It was patterned after advanced Western legislation, as were also other acts of the same period dealing with labour organizations and conciliation and arbitration. In addition, various conventions of the International Labour Organization were formally approved. However, it was recognized that conditions in China would not permit the immediate enforcement in full of these various types of labour legislation, and the policy of gradual application was therefore adopted; progress was being made when war intervened. General supervision over labour regulations and labour matters is under a Ministry of Social Affairs in the National Government.

Labour unions in China, as in other countries, followed industrialization. The ancient Chinese "guild" system rested upon the association of employers and employees in a relatively simple economy, and was thus not adapted to protect the interests of workers in the modern type of large industrial plants, with the changed character of labour-management relationships. Although unionism grew rather slowly, by the time of the Japanese invasion there were 872 registered unions, with a membership of 743-764 just before the war. In the period following the beginning of the war, Government regulations provided for what practically amounted to the compulsory organization of labour, and at the end of 1942 there were reported 4,033 registered unions with a total membership of 1,053,656.

The right of free association and the right to strike were provided in pre-war legislation, but were subject to certain controls, the extent of which is difficult to appraise. Since the war there have been very few industrial disputes in China, but prior to 1939 industrial disputes in China were very frequent and often serious. Conciliation and arbitration of industrial disputes by both public and private agencies are established practices in China and have been formally incorporated into law.



In 1935, just prior to the Japanese invasion, there were, according to Government reports, 26,224 co-operative associations in China. Most of these were rural credit societies; no consumers' societies were reported as being in existence. Conditions attending the Japanese invasion greatly stimulated the co-operative movement, particularly the so-called "industrial co-operatives". Also, consumers' co-operatives were encouraged by law and by the Central Administration. By the end of 1940 there were some 520 consumers' co-operatives in operation in Free China. The industrial co-operatives were started for the purpose of providing supplies for civilians and for the Army and furnishing employment for the refugees from the invaded areas. By 1940 there were approximately 2,300 of these small decentralized industrial units in 16 Provinces. Their products included a wide variety of items such as cloth and clothing, flour, paper, coal, leather, chemical supplies, medical supplies, hand grenades, stretchers, wagons, and small machinery. Through consolidation and reorganization the number of industrial co-operatives declined after 1940 although the total output increased. In June 1942, the total number reported was 1,590 with 22,680 members and a much larger, although unreported, number of hired workers.

There is no public system of social insurance in effect in China, although after the war began the Government laid plans for a general scheme of accident and health insurance to be inaugurated in 1943.

### Employment Conditions.

#### THE LABOUR FORCE.

China is predominantly an agricultural country. From 80 to 90 per cent. of the 450 million people derive their living directly from the land as proprietors or tenants.

For the most part the farms are very small and the equipment is primitive. The work is done almost entirely by family members. There are few farm labourers of the wage-earner class, although persons having small parcels of land often hire out themselves and members of their family in order to supplement their very low incomes. During the off season for farming most farm families carry on some form of native industry. Thus, the simpler kinds of handicraft work, such as weaving and making clothes, have traditionally been done in farm

homes, although in recent years the increase in factory-made goods has had disturbing results upon the old economic life.

On the other hand, large numbers of women and girls from the country seek domestic service in the cities in winter, and younger men also seek work in the towns as casual labourers. Usually these movements of workers are seasonal and local, but there have also been migrations of large numbers of persons.

Independent workers—i. e., persons working primarily on their own account—are very numerous. The number was estimated at 8,000,000 a few years before the present war. These workers are self-employed, but their compensation is essentially a wage for their own labour. The group includes masons, carpenters, coppersmiths, firecracker makers, bean-cake makers, cloth weavers, tailors, and blacksmiths.

“Coolie labourers” are still more numerous than the independent workers. One Chinese authority estimated their number as more than 30,000,000. The coolies are mostly unskilled. Some of them, such as mine workers and road builders, are hired by employers at a definite place. Others (such as haulers and carriers at wharves, etc.) work under a contract system. Still others have no definite employer or contracting foreman, and wander from place to place seeking work; among these are the jinriksha and wheelbarrow coolies, sedan-chair bearers, and muleteers.

Industrial workers, in the Western sense of the term, represent a development of only the past 3 or 4 decades. The number of such workers is not known, but the best pre-war estimates, made in the early 1930's, place the number of factory and handicraft workers at 2,000,000, of whom about a third were in modern factories. Mine workers were estimated at 2,300,000, including 700,000 in coal and iron mining and 100,000 in metal mining, the others being in various non-metal-mining enterprises. Railway workers numbered slightly more than 80,000, and workers in the postal service and telegraph offices 28,000. If from the total of these workers (some  $4\frac{1}{2}$  million persons) the approximately  $1\frac{1}{2}$  million persons employed in handicraft and small non-modern factories are excluded, it would appear that industrial workers in pre-war China numbered about 3 millions.

As reported in the Chinese Year Book for 1936-37, a total of 363,322 factories in 13 Provinces and 10 cities employed 2,000,256 workers in 1930. Of these over a third (711,210) were in the Province of

Chekiang, Shanghai, Shantung, and Shensi each accounted for about a tenth. Sex and age were not reported for most of these workers.

#### INDUSTRIAL DISTRIBUTION OF WORKERS.

Modern manufacturing in China started with the opening of a cotton-cloth factory at Shanghai in 1888 by Chinese capital, but later development was in very considerable part under foreign control. In 1930 there were in Shanghai 81 cotton mills (with 2,326,872 spindles) owned by Chinese, as against 46 mills (with 1,642,680 spindles) owned by foreign interests, mostly Japanese and British.

Textile manufacturing expanded rapidly, but both Chinese and foreigners branched out into other fields, particularly the manufacture of iron and steel, matches, chemicals, foodstuffs, cement and other building materials, and toilet goods. In addition, the British were particularly active in the development of coal mining, their interests being chiefly in the Tientsin area and Central Honan. The Japanese were active in both coal and iron mining and iron production, working principally in Manchuria, but with large interests in Shantung and the Central Yangtze valley.

Primarily, no doubt, because of poor internal transportation facilities, modern factory development in China was largely in or near the seaboard. Shanghai was by far the most important centre; other principal factory centres were Canton, Hankow, Tientsin, and Tsingtao. The area now known as Free China was almost devoid of modern industry in pre-war days, having not a single blast furnace and no coal mine with an annual production of more than 100,000 tons. Of more than 5,000,000 cotton spindles in the country as a whole, only 17,000 were in the interior.

As an employer of labour, cotton manufacturing was by far the most important industry, and, as in Japan, remained the principal employing industry up to the time of the war. Figures are not available for the country as a whole but Shanghai, for which reports are available, was no doubt fairly representative of general conditions. In that area 354,466 persons were employed in 1934, and of this total, the textile industries employed about 60 per cent. (200,644). The distribution of factory employment in Shanghai is shown in Table 1.

TABLE I.—*Employment in Shanghai Industries, by Type of Factory, Sex, and Category of Worker, 1934.*

Type of factory	Number of factories	Number of workers				
		Total	Males	Fe-males	Children	Apprentices
All types of factories.....	4,234	354,466	174,849	144,940	10,565	24,112
Power plants.....	13	5,258	5,235	.....	.....	23
Manufacture of machinery.....	552	11,325	6,629	300	20	4,376
Manufacture of electrical machinery and apparatus..	139	5,325	3,193	1,182	80	870
Metal Industries.....	329	5,705	4,332	25	8	1,340
Chemical industries.....	173	9,764	6,018	2,939	168	639
Manufacture of metal products.....	319	7,245	4,937	473	99	4,736
Woodworking industries.....	55	2,941	2,142	409	241	149
Manufacture of bricks, earthenware, glass, etc.....	118	6,240	4,799	272	376	793
Manufacture of paper, bookbinding, and printing....	403	15,839	11,606	1,391	44	2,343
Construction of boats, ships and vehicles for land transportation.....	80	8,073	7,756	.....	1	316
Textile industries.....	920	200,644	77,542	106,021	9,043	8,038
Manufacture of leather, rubber products, etc.....	130	13,375	6,210	6,923	28	214
Preparation and manufacture of foods, drinks, and tobacco.....	271	33,434	21,210	16,183	257	784
Manufacture of clothing and allied products.....	434	17,177	8,363	7,914	142	758
Making of scientific and musical instruments, clocks and watches, etc.....	122	2,225	1,647	230	.....	349
Other manufacturing industries.....	176	4,846	3,231	678	58	879

## INDUSTRIAL CHANGES AFTER JAPANESE INVASION.

The seaboard location of most of the Chinese factories made them particularly vulnerable to the Japanese invasion. The Chinese Government soon lost practically the whole of its richest industrial area.

Extraordinary efforts were made to move the factory equipment and personnel from the war areas to the interior and also to build new plants. By 1940, the Government reported that 116,000 tons of equipment and materials, with more than 12,000 skilled workers, had been transported to the interior and that 70 per cent. of the 639 refugee factories were in operation. Some 2,000 privately owned factories were then operating in Free China and by 1942 there were in addition 98 State-owned industrial plants. These figures do not include the so-called "industrial co-operatives," which formed one of the most interesting developments of the war.

When the Japanese began their invasion of the coastal areas of China, hordes of refugees—industrial workers of all kinds, and their families—fled toward the interior of the country. The problem of caring for them and for the residents of the districts into which they fled was enormous. There were literally millions of unemployed needing work and a whole population needing goods of all kinds.

## UNEMPLOYMENT.

For many years prior to the present war unemployment was serious in China. Estimates ranged as high as 10 million or more as a normal situation, and a study by the China Branch of the International Labour Organization placed the number of unemployment in 12 Provinces and leading cities at 5,893,196 in 1935.

Seven main reasons for the growing unemployment were given by one writer, as follows : Replacement of handicraft by machine work, rapid growth of population, lack of vocational education facilities to enable workers to acquire new skills, increase of seasonal trades, the civil wars (almost incessant since 1913) with resultant dislocation of industry and devastation of the land, unstable economic conditions that were worsened by foreign domination of trade, and the increasing number of strikes which gave employers a pretext for wholesale discharges.

## EMPLOYMENT AGENCIES.

The National Government of China, in 1931 and 1935, enacted legislation and regulations providing for the establishment of public employment exchanges and for the conduct of private exchanges. Little information is available regarding the results accomplished under these provisions. In 1937 the International Labour Office reported that an employment bureau had been opened in Shanghai under the auspices of the Bureau of Social Affairs of the Greater Shanghai Municipal Government, and references were earlier made to the existence of employment offices in other communities.

The westward migration of large numbers of refugees after the Japanese invasion and the war need for a more-organized labour market led to the establishment of large numbers of employment agencies in Free China. According to the Chinese Year Book for 1943 there were, in 1942, 909 Government employment offices under the direction of the Ministry of Social Affairs, provincial social affairs agencies, party authorities, and institutes of people's education. In addition there were 4,023, private agencies established and managed by various civic and other organizations.

*Labour recruiting.*—Recruiting of workers through labour "masters" was the characteristic method of obtaining labour for the textile

industry and, in many cases, also for other industries. These labour masters went into the country districts and engaged workers. The wages were paid to the labour masters, who deducted substantial amounts as fees.

## Wages, Hours, and Working Conditions.

### HOURS OF LABOUR.

Long hours of labour are traditional in China. In the newer industrial establishments with power equipment and modern management methods the tendency was to speed up the tempo of work and reduce working hours. In these establishments there had been some movement toward the 8-hour day but this had not progressed very far. Otherwise the customary working hours in industry in pre-war China were from 9 to 10, with longer hours not uncommon. In the simpler workshops and trades, as in agriculture, working hours were frequently 12 and 14 per day, but the speed of work and accuracy of time keeping was much less than in the modern factories and mills.

Under the National Government, established in Nanking in 1927, legislation has been enacted looking toward the general 8-hour day in industry, but conditions in China have not been favourable for putting such legislation into general effect. Indeed, after the beginning of the present war, the imperative need of maximum production in China, as in all warring countries, led to the extension of working hours wherever that was possible.

*Rest days.*—As there is nothing in China equivalent to Sunday, or any other periodic rest day, work tends to be continuous, except for special holidays. In recent years some establishments have provided for a definite number of rest days per month. The influence of Western ideas, especially through the International Labour Organization, has resulted in making labour more and more insistent on the principle of the seventh-day rest, and such a rest day has been favoured by the Government.

### PRE-WAR WAGE LEVELS

In very large part, wages and working conditions in industry were established by the employers, and a wide variety of wage systems



prevailed—time work, piece work, payment in kind, etc. In the smaller handicraft shops much of the labour was performed under old apprenticeship systems and not on a wage basis.

Prior to the Japanese war, the prevailing wage rates for unskilled and semi-skilled men in most lines of work ranged from 40 to 80 cents per day or from \$10 to \$20 per month. Skilled mechanics were paid much higher rates, owing to the scarcity of technically trained workers. The figures above cited are in Chinese currency. In the years immediately preceding the war the Chinese dollar was worth somewhat less than 50 cents in United States currency. Thus a monthly wage of 10 to 20 Chinese dollars would be equivalent to not more than \$5 to \$10 in United States money. The contrast with American wages is suggestive of the generally low wages of Chinese workers, but is by no means an accurate comparison as it does not take into consideration differences in prices in the two countries and, still more important, differences in consuming habits and living conditions generally.

Wages in the non-industrialized sections of China were, on the whole, much lower than in the more modern factories in the coastal area. Hired farm labourers, who as earlier noted are not numerous, earned, on the average, about \$100 (Chinese) per year, plus board and room. Independent workers generally had lower earnings than factory workers, and this was also true of "coolie" labour. Women workers received usually from one-half two-thirds the wage paid to men, and children a third to a half (or even less in many cases) of the men's rate.

*Additions to wages.*—The most important form of wage supplement was the traditional practice of an annual bonus at the New Year season. The bonuses were of very considerable importance, ranging from 1 month's pay to as much as a whole year's salary.

*Overtime.*—With the exception of the railroad and motor-truck transportation and the printing industry, there is no record of industries in China paying extra for overtime. In the past, as already noted, normal hours were usually so long that overtime work was probably not a general problem but, with the development and enforcement of national legislation limiting hours of work, extra payment for time beyond scheduled hours will no doubt be a factor to be seriously considered,

## GEOGRAPHICAL DIFFERENCES IN WAGES.

Available data indicate rather wide variations in wage levels in different localities of China, although such data are not sufficiently comprehensive to be at all conclusive. Possibly the best information on this point is that contained in a study made by the Ministry of Industries in 1930. Table 2, reproduced from that study, shows the prevailing monthly wages in each of 12 cities, as well as working hours and number of rest days.

TABLE 2.—*Monthly Wages and Daily Hours of Unskilled Labourers in China, 1930, by City.*

C i t y	Number of workers	Average prevailing wages per month (in Chinese dollars)			Average prevailing hours per day	Average prevailing number of rest days per year
		Men	Women	Children		
Shanghai .. .. .	362,894	15.28	12.50	8.07	11	33
Canton .. .. .	239,365	10.82	7.50	(1) 6.00	9	36
Hankow .. .. .	169,392	19.50	19.20	(1) 4.50	10	31
Wush .. .. .	70,688	20.00	17.10	10.50	10	24
Soochow .. .. .	58,814	18.00	15.00	9.00	10	7
Tsingtao .. .. .	26,428	15.00	15.00	10.00	12	62
Wuchang .. .. .	23,974	13.00	12.93	8.48	12	46
Nanking .. .. .	17,887	(1) 10.80	..	7.50	10	10
Fushang .. .. .	17,855	12.50	6.00	3.75	10	10
Wuching .. .. .	16,219	14.80	11.50	6.75	10	8
Hangchow .. .. .	16,171	13.50	12.33	5.10	11	3
Foochow .. .. .	16,032	13.00	12.00	8.00	10	15

(1) Does not include food supplied by employers.

## WAGES BY INDUSTRIES.

No satisfactory statistics giving wages by industry or occupation are available for China as a whole. However, special reports of varying completeness have been made for individual localities. Such reports are summarized below for the cities of Nanking and Shanghai and for Hankow district, the data relating to conditions shortly before the Japanese invasion.

*Pre-war wages and hours in Nanking.*—Statistics published by the Bureau of Social Affairs of the Nanking Municipal Government are shown in Table 3.

TABLE 3.—*Monthly Wages in Various Industries in Nanking, 1935.*

Industry	Monthly wages (in Chinese dollars) of—			Industry	Monthly wages (in Chinese dollars) of—		
	Men	Women	Child- ren		Men	Women	Child- ren
Bricks, glass, etc. ..	13'98	..	5'10	Leather, rubber, etc. ..	13'53	..	..
Chemicals, etc. ..	23'53	..	9'25	Machinery, etc. ..	19'40	..	8'84
Clocks, scientific instruments, etc. ..	19'60	..	..	Metal ..	24'10	..	7'60
Food and beverages ..	15'58	..	..	Paper, etc. ..	11'43	..	..
Fuel ..	16'82	..	..	Printing ..	24'92	9'00	9'34
Furniture manufacture ..	35'33	..	..	Textiles ..	14'12	8'52	7'21
Gas, water, electricity ..	27'89	..	17'45	Weaving apparel ..	9'49	..	..
				Woodworking ..	23'91	..	..

*Pre-war wages and hours in Shanghai.*—In a study of wage rates in Shanghai data were obtained on average hourly wage rates and average actual working hours in that city, for several important industries (Table 4).

TABLE 4.—*Hourly Wage Rates and Hours Actually Worked Per Day in Shanghai, 1934.*

Industry	Both sexes		Males		Females	
	Average hourly rates (in Chinese dollars)	Average actual hours per day	Average hourly rates (in Chinese dollars)	Average actual hours per day	Average hourly rates (in Chinese dollars)	Average actual hours per day
Average, all industries ..	0'056	10'46	0'083	10'00	0'046	10'63
Machinery ..	'091	9'32	'091	9'32	..	..
Shipbuilding ..	'137	9'00	'137	9'00	..	..
Match making ..	'056	7'03	'116	5'64	'036	7'53
Enameling ..	'066	9'25	'066	9'27	'057	8'95
Silk reeling ..	'029	10'91	..	..	'029	10'91
Cotton spinning ..	'041	11'50	'046	11'50	'040	11'50
Silk weaving ..	'087	10'46	'106	10'61	'078	10'39
Cotton weaving ..	'054	11'34	'055	11'30	'054	11'34
Wool weaving ..	'058	11'07	'063	11'11	'054	11'06
Underwear knitting ..	'077	10'29	'078	10'32	'077	10'27
Hosiery knitting ..	'072	9'03	'071	9'26	'072	8'92
Flour ..	'048	11'50	'048	11'50	..	..
Oil pressing ..	'059	9'81	'059	9'81	..	..
Tobacco ..	'071	8'08	'078	10'00	'070	7'78
Paper making ..	'052	10'88	'064	11'05	'023	10'54
Printing ..	'116	8'55	'113	8'57	'063	8'26

*Pre-war wages and hours in the Hankow district.*—A report from the United States consular office for the Hankow consular district, in 1934, from which the following data are taken, noted that the economy of the area was still essentially agricultural. Industrialization was only beginning and was limited largely to Wuhan, Chengchow, and Changsha. Very low standards prevailed both in production and consumption which combined with the actual pressure of population on the means of subsistence and the adverse effects of civil disorder, resulted in depressing the wage scales. There were no uniform

standards of labour or wages even in the several cities ; in the village and country districts the hours of labour tended to be longer and the pay smaller.

**Agriculture :** The farms averaged less than 5 American acres each and were generally cultivated by the family members. Hired help was therefore usually employed only on the larger holdings during the busy seasons of the year. This farm labour was hired on the basis of day wages, with no holiday, overtime, or other extra compensation. Lodging and food were not supplied. The daily wage for male farm workers ranged from 40 to 55 cents (Chinese), for females from 25 to 40 cents, and for children from 6 to 20 cents.

**Building construction :** The ordinary building construction on farms and in villages followed lines patterned after the agricultural village economy. Most of the work was done by individuals, with hours long and indefinite. In the larger cities, construction labourers tended to organize ; they worked about 10 hours per day, the men receiving from 40 to 60 cents (Chinese), and the children from 10 to 20 cents.

**Coal and metal mining :** In the various branches of the mining industry an 11-hour day was general. Actual mining of coal was done usually on a small scale by the most primitive methods ; there was little unionization in this industry. Labour organization had progressed somewhat further in the mining of iron ore and of antimony. In the latter branch of the industry, because of its comparative prosperity, a better-than-average wage scale prevailed. The prevailing wage scales were as follows :

<i>Daily wage (in Chinese cents)</i>	
Coal miners.....	30-50
Iron miners.....	30-50
Antimony miners.....	50-80

**Logging and lumbering :** Lumbering was limited almost entirely to the cutting of poles for the use of the native population in constructing the ordinary thatched mud huts in which 75 per cent. of the population lived. Men received a daily wage of from 30 to 50 cents (Chinese) for an indefinite number of hours ; women and children were not ordinarily employed.

**Manufacturing :** The major part of China's manufactures was produced by the village handicraft industries ; only a few of the large cities had cotton or flour mills or other modern industries. Unionization was progressing in these industries, but control was kept

in the hands of the authorities and the official Kuomintang organizations. In those industries where women and child labour predominated (as in cotton spinning and cigarette making), labour organization was especially ineffective. Wages were as follows :

	<i>Daily wage (in Chinese cents)</i>		<i>Daily wage (in Chinese cents)</i>
Cotton spinning, men .....	50-70	Oil processing, men.....	40-60
Cotton spinning, women.....	30-50	Tobacco industry, men.....	50-70
Cotton spinning, children.....	5-10	Tobacco industry, women.....	30-50
Flour Mills, men.....	60-80	Tobacco industry, children ..	5-10

Printing and publishing : There was a marked difference in the wages paid in foreign-owned and in Chinese printing establishments in this area. Prevailing daily rates of pay ranged from 80 cents to \$1.20 in Chinese plants. The Chinese enterprises comprised the greater part of the industry. Adult male labour alone was used, and the 9-hour day was usual.

Railroad and motor-transport : Railroad and motor-transport workers were probably the best organized of any industrial group in the area. The normal working day was 10 hours, and time and a half was paid for overtime. The workers were male, and their daily wages range from 50 to 80 cents (Chinese).

#### EFFECT OF THE WAR ON WAGES AND COST OF LIVING.

One of the most disturbing factors in the Chinese economy since the war has been the increase in cost of living. This increase made itself felt almost immediately following the Japanese invasion. Actual figures are available only for two cities—Shanghai and Chungking. In Shanghai the cost of living index (1936=100) rose from 104 in 1936 to 124 in 1937, to 859 in 1941, and to over 4,000 in the latter part of 1942. In Chungking, the index (1937=100) rose to 549 in 1940, to 1,840 in 1941, and, as in Shanghai, to more than 4,000 in the latter part of 1942.

Wages, as usual in such circumstances, lagged well behind price increases. In Shanghai, by 1941, it was estimated that real wages (i. e., money wages adjusted to cost of living) were only 27 per cent. as high as they had been in 1936. In Chungking, the Ministry of Social Affairs estimated that the real wage in the latter part of 1942, including various wartime allowances, was about 84 per cent. of the

January-June 1937 level. These wartime allowances included such items as rice and housing and in total represented a substantial addition to the workers' income.

After 1942, the cost-of-living index continued to soar and by the end of 1943 had reached 43,000. The situation as regards wages in this period is not known with any exactness, but in general it seems that money wages lagged still farther behind cost of living but in part were compensated by the types of allowances mentioned above.

After various limited attempts, wage regulation for the entire country was ordered by the Government on January 15, 1943. The regulations were aimed at the simultaneous stabilization of both wages and prices. Information is lacking as to the effects of these regulations.

#### WAGES AND HOURS IN JAPANESE-OCCUPIED TERRITORY.

An indication of Chinese labour conditions in occupied China after the Japanese invasion can be gained from the following description of the cotton-spinning industry in Tsingtao in 1940, as reported by a Japanese source. The mills were working two 12-hour shifts in which females were replacing men. The work year averaged 334 to 336 days. Workers had a 30-minute recess once or twice daily and were entitled to a half day off duty 4 times a month (when they changed shifts). Those half-holidays could be so arranged as to enable the workers to take a day off during the New Year season and also during the New Year season on the lunar calendar, as well as on the birthday of the Emperor of Japan, and on 2 other Japanese and 3 Chinese national holidays.

The basic daily wage for a regular worker ranged between 0.30 yen (yen=50 cents under pre-war exchange rate) and 2.01 yen, to which was added a 10-per cent. allowance for high commodity prices. Some mills also paid a bonus of 3 yen a month to the operatives with good work-attendance records. Wages were paid once a month, after deductions had been made for shelter, food, coal, articles purchased, and fines.

The majority of the operatives were between 14 and 19 years of age. Most of these workers lived in dormitories built by the employers. Although some of the companies charged no rent for



dormitory accommodations, others charged from 50 yen to 10.50 yen a month for a person or a family.

Certain mills had their own medical facilities and the others had part-time physicians. For the care of serious cases, all the companies depended on the city hospitals.

#### GENERAL TREND OF WAGES.

Reliable data on the trend of wages in China are available only for Shanghai. Table 5 shows for that city, for each year from 1930 to 1941, the average daily wages of industrial workers and the index of "real wages" after adjustment to the cost-of-living index.

TABLE 5.—*Trend of Money Wages and "Real Wages" in Shanghai, 1930—41.\**

Year	Average earnings per day		Cost-of-living index for Shanghai†	Index of "real wages" (1930=100)	Year	Average earnings per day		Cost-of-living index for Shanghai†	Index of "real wages" (1930=100)
	Amount in Chinese dollars	Index (1930=100)				Amount in Chinese dollars	Index (1930=100)		
1930 ..	0.669	100	100	100	1936 ..	0.607	91	86	106
1931 ..	.678	101	92	110	1937 ..	.597	89	105	85
1932 ..	.627	94	83	118	1938 ..	.590	88	120	73
1933 ..	.639	96	74	130	1939 ..	.719	107	164	65
1934 ..	.600	90	75	120	1940 ..	1.423	211	396	53
1935 ..	.572	86	77	112	1941 ..	2.731	408	776	51

\* Source : International Labour Office, Year Book of Labour Statistics, 1942 (pp. 108, 163).

† The Shanghai cost-of-living index is the only one in China that covers the period 1930—41. As before the Japanese invasion a large part of all modern Chinese industry was located in Shanghai, this index may be considered fairly representative.

#### ANNUAL EARNINGS AND INCOME.

In China, as already noted, lack of regular work was a problem of utmost seriousness. On the other hand, the widespread employment of wives and children tended to make the annual income of the worker's family very much larger than the prevailing wage schedule would indicate.

An official study of the budgets of 305 families of Shanghai industrial workers in 1929-30 found that 53 per cent. of the average annual current income was from the husband's earnings, 34 per cent. came from the work of wife, children, and other family members, and the remaining 13 per cent. consisted of income from the subletting of rooms, gifts, peddling, etc.

The average annual income of these 305 families was \$416 in Chinese currency. In the period immediately before the Japanese invasion the exchange rate of the Chinese dollar was 50 cents or less in United States currency. However, to conclude from this that an income of \$416 in Chinese dollars in Shanghai was equivalent to only \$208 in American currency in the United States would be to disregard the price differences in the two countries and also differences in consuming habits. General price comparisons are impossible, partly because of lack of comprehensive data for China but primarily because so many of the items, especially food items, in the Chinese budget are not used at all in the United States. Such data as exist on this subject indicate that the prices of most of the goods and services purchased by Chinese workers are, on the whole (or at least were in the pre-war days) considerably lower than corresponding items in the United States, but the available information does not permit of comparisons of even approximate exactness.

*Living conditions in Shanghai.*—Competent observers and students, both foreign and native, agree that the living conditions of the great mass of the workers in China are bad both in comparison with Western countries and when compared with generally accepted health standards. However, because of the differences in consuming habits noted above, it is extremely difficult to measure and express the degrees of "badness" in statistical terms. Nevertheless, studies of family living conditions have been made in a few Chinese communities, and these, especially the study for Shanghai above referred to, do furnish significant information.

The Shanghai study of 1929-30 found that current expenditures regularly exceeded current income for the majority of the workers' families, food was generally inadequate for proper nutrition, extreme overcrowding and extremely unsanitary housing were the rule, and the opportunities for the proper care and education of children were very meagre.

The 305 families studied averaged 5 members per family, and had incomes ranging from some \$240 (Chinese) to more than \$700 per year. The average "current", income (i.e., excluding borrowings, gifts, etc.) was \$416.

The most striking fact about these families was that the great majority showed large deficits at the year's end, and that this condition obtained among higher-income families almost as frequently as

among those with lower incomes. The average deficiency of current expenditures as compared with current income was \$38; and the deficiency in current expenditures as compared with wage income was \$90, or about 25 per cent. of the wage receipts of all working members of the family.

These deficits were met by borrowing and, as in very many cases this practice tended to persist from year to year, this meant that new debts were constantly contracted to pay off old debts, at extremely high rates of interest. The loans from professional money-lenders were so arranged that the interest was concealed but was often as high as 120 per cent. per year, while the interest rate charged by pawn shops on less-valuable articles was usually 24 per cent. per annum.

Food expenditures accounted for 57.4 per cent. of the total current family income, as against about 33 per cent. in the United States. Moreover, half the total food expenditure was for cereals, mostly rice. Use of milk and milk products was practically unknown, and the proportion of fats was extremely low. The amount of proteins barely met the physiological minimum requirements; that of fats was clearly insufficient; and the proportion of carbohydrates was too high. The diet was deficient in calcium and phosphorus as well as in certain very important vitamins.

Overcrowding was acute, the average number of rooms per family being only 1.65, and the number of "equivalent" adults per room averaging 2.33. Almost half of the families surveyed lived in a single room. The houses were, for the most part, of very simple construction; a fourth of them had mud floors. The window area was very small, and about a fifth of the houses had no windows at all. Water for drinking and cooking purposes was bought mostly from hot-water shops; water for washing and cleaning purposes came from taps, wells, and, in many cases, from nearby creeks. Indoor toilet facilities were as a rule entirely lacking.

Clothing was made largely at home, from purchased piece goods of the cheapest grades.

Only seven of the families covered had made any savings during the year, the average for these seven being \$7.14. Life insurance was being carried by only one family. Almost nothing (\$1.45) was spent on education per year. Only 16 families had any expenses for newspapers and none had regular subscriptions. Sixty per cent. of the family heads had had less than a year's schooling.

*Comparison with other cities and post-war conditions.*—Scattered reports from other localities indicate that conditions in other industrial communities were rarely better and often worse. For instance, a Peiping survey showed housing conditions much worse than in Shanghai. On the other hand, one study indicated that when industrial establishments were so located that members of farm families were employed while still living at their farm homes, there was a definite improvement in living standards.

Although the Shanghai report related to 1929-30, such evidence as exists indicates that up to the Japanese invasion in 1937 no improvement had taken place in the general living conditions of the workers; indeed, between 1930 and 1937 there was a decline of about 7 per cent in the general wage level in Shanghai, without any corresponding decline in cost of living. After 1937, prices literally skyrocketed all over China with wage increases in most cases lagging far behind. No satisfactory figures are available by which to measure at all accurately the effects of these changes on the living status of the workers for any considerable part of China. However, a report from Chungking earlier referred to, is suggestive. This report estimates that between the first half of 1937 and March 1943 the real wages of factory workers (i.e., money wages adjusted to cost of living) declined about one-half, whereas the real wages of certain skilled crafts—carpenters and masons—showed little or no change or actual increases.

### Labour Legislation and Labour Policies.

#### PRE-WAR LABOUR LAWS.

Labour legislation was slow in developing in China. This was due in part to the fact that modern industrialization, which in all countries has led to the enactment of protective labour laws, is of such recent development. Perhaps even more important is the fact that the idea of intervention by the governing authorities for the reform of social customs was foreign to traditional Chinese concepts of government. The growing importance of large-scale industries and the increasing disruption of the traditional relationships of employer and employee was accompanied by labour's demands for protective laws.

Almost as soon as the Republican Government was established, in 1927, it promulgated a series of labour laws including the compre-

hensive Factory Law of 1929. That law prohibited labour by children under 14 years of age and woman and child labour in dangerous or improper employment or during specified hours at night or in the early morning. It established, with certain exceptions, an 8-hour day for adults and provided for rest periods and holidays, minimum wages based upon local standards of living, equal pay for men and women for equal work, regulations regarding the termination of contracts, including leave of absence to workers to seek new employment, a dismissal wage, and health and safety measures. Under the act employers were required to furnish educational facilities for child workers, apprentices, and other employees, and promote, as far as possible, proper amusements for their labour forces and aid them to save money and to belong to co-operative societies. Provision was made, too, for profit sharing. Pending the enforcement of social-insurance laws for workers disabled by accident or disease or who die in the performance of their duty, the factory was to meet the medical expenses of such workers and pay pensions to them or their survivors. One of the chapters of the law dealt with the selection, functions, and operation of factory councils upon which employers and workers were to have an equal number of representatives.

The Labour Union Law of 1929 also deserves notice. Under the provisions of this law male and female workers of the same trade or occupation might organize a union to increase their knowledge, skill, or productive power or to improve and maintain their standard of living. (Government employees, employees of public utilities, and members of the army and navy, however, were not allowed to organize unions). No strike was permitted until the dispute had been referred to arbitration. If arbitration failed, the workers concerned could declare a strike if two-thirds of those present at a mass meeting voted by secret ballot in favour of striking. The law also prohibited an employer from dismissing a worker on account of union membership.

In addition, the Government, in the early 1930's, ratified several of the conventions of the International Labour Organization, including No. 14 which required one rest day per week for industrial workers, and No. 26 which provided for the creation of machinery for setting minimum wages.

*Problem of enforcement.*—Following the enactment of the labour laws and the approval of the labour conventions mentioned above, serious problems of enforcement immediately arose. In the first place

the legislation was rather far in advance of general practices, and required educational work before the provisions could be introduced.

Also, no administrative machinery existed for the enforcement of these standards, and the period following their enactment had to be devoted to the training of factory inspectors. In July 1933 a central factory inspection bureau was created, with three sections, dealing respectively with general and business affairs, health, and factory inspection. It was authorized to open branch offices throughout China, as conditions demanded. The bureau required that all inspectors appointed by Provincial and municipal authorities work under its supervision and that they be graduates of the training institute of the Ministry of Industries. During 1934 the Central Factory Inspection Bureau prepared a number of films regarding factory safety and sanitation for propaganda work, pushed the organization of factory safety and health committees in various cities and Provinces for which a set of 10 regulations has been issued by the Ministry of Industries, compiled and published a handbook for factory inspectors, and made preliminary investigations about factory safety and sanitary conditions in the various cities and Provinces.

The Japanese invasion in 1937 interrupted the Government's plans for the enforcement of the factory law, especially as the Japanese conquests very soon included the most important industrial centres of the country. However, the factory law was not forgotten, and in 1941 the training of a group of college graduates as factory inspectors was undertaken by the Chungking Government. In February 1942 these inspectors began work in the Chungking area, and it was stated that such service would be extended to the whole nation as personnel became available.

A third difficulty in the enforcement of the labour law lay in the principle of "extra-territoriality." That principle had been interpreted by foreign factories in China as, in general, exempting their factories from Chinese labour legislation and regulations. This presented a most serious difficulty to enforcement, as so many of the large-scale factories were foreign-owned. The surrender of "extra-territoriality," after the present war, will greatly simplify China's problems of law enforcement.

#### WARTIME LABOUR POLICIES.

Conditions following the Japanese invasion have naturally been



unfavourable to the inauguration of new activities in the interest of labour. In general, the policy of the Government of China has been in the direction of labour control for war purposes. The National General Mobilization Act gives the Government quite full control over the recruitment, distribution, and remuneration of all citizens, besides authorizing it to prevent all strikes and lockouts.

On the other hand, continued interest has been displayed in the improvement of labour conditions in the future. A National Social Administrative Conference in October 1942—the first of its kind ever held in China and representative of many groups—adopted a draft of a national labour policy, which was then sent to the Supreme National Defence Council for approval. The proposals contained in this draft have a very wide range, including such items as improved labour efficiency through scientific management and a general programme of social insurance.

*Welfare work.*—The Ministry of Social Affairs is also directing and supervising factories in undertaking matters regarding labour welfare. In March 1942, the Ministry ordered the four largest cotton mills in Chungking to allocate a portion of the profits they made in 1941, for the promotion of labour welfare, and numerous welfare projects were started. A special commissioner was sent to the Kansu Oil Mining Bureau to direct and supervise welfare work. A special committee was formed to look after the welfare of the workers in the Yunnan tin mines.

The Ministry started several labourers' welfare societies in Chungking to serve as models for Provincial and municipal authorities. These projects included workers' dormitories, barber shops, laundry houses, recreational centres, schools for workers and their families, reading rooms, and guidance and advice on vocational, legal, and medical matters.

Regulations Governing Employees' and Workers' Welfare Funds, issued by the National Government on January 26, 1942, set forth the method of financing such funds, as follows: (1) 1-5 per cent. of the company's total capital (at the time of starting the welfare fund), (2) monthly employer contributions of 2-5 per cent. of the total amount of salaries, wages, and allowances paid to employees, (3) monthly employee contributions of one-half of 1 per cent. of the salary, wages, and allowances, (4) 5-10 per cent. of the yearly profits; and (5) 20-40 per cent. of any money realized by the company through the sale of

scraps. For workers not hired by any particular employer, the labour unions concerned are to appropriate 30 per cent. from the total membership fee. The law imposes fines for non-compliance.

#### ADMINISTRATION OF LABOUR LAWS AND REGULATIONS.

The highest administrative organ of social affairs in China, including labour affairs, is the Ministry of Social Affairs. A special labour bureau in the Ministry was created for the mobilization of manpower as required in the National General Mobilization Act. Prior to the establishment of the Republican Government in 1927 there was no special government agency for dealing with labour matters. At that time a Labour Bureau was created with broad duties of administering the labour laws and regulations, proposing new laws, and in general working toward the improvement of the employment conditions and general welfare of the working population. The duties of the bureau, with considerable expansion, are now merged in the present Ministry of Social Affairs.

Since the beginning of the war a Provincial department of social affairs has been formed in each Province, and at least 200 municipal governments are reported to have established special divisions in charge of social administration.

#### LABOUR ORGANIZATIONS.

The first strikes in China occurred in 1913, but did not result in unionization, partly because the Chinese employers affected tended to compromise with their workers and partly because the idea of labour organization was undeveloped. About 1917, labour newspapers and other publications began to appear in the big cities and became quite influential. The continued influx of foreign capital, under the inducement of big profits, aroused a nationalist feeling, and the Chinese labouring classes, awakened by students and press, became more and more articulate.

The organization of labour in China, in the modern sense, began just after the first World War. From the Armistice to 1921, approximately 200,000 factory workers were organized into various unions in different cities. Of all the workers these were the most successful in their efforts to secure higher wages and better working conditions,

and their unions were the most efficiently conducted of all the labour organizations then in China. Next in numerical strength were the miners and railway men, numbering 185,000. The agricultural workers, always more conservative than craftsmen, were the least organized. In some industries of the interior cities, where handicraft conditions still existed, the workers were satisfied with the old guild system for the regulation of wages, output, prices, and hours of labour.

The trade-union movement spread quite rapidly, especially in the southern Provinces, had various ups and downs as a result of the many civil and military disturbances, was at times identified rather closely with political movements, and experienced varying degrees of regulation by governmental authorities.

The stringent wartime control measures brought the labour unions under very strict regulations, and, although making membership in unions compulsory when feasible, gave the administrative authorities close supervision over their conduct. On the whole, the present National Government is regarded as being very favourable to labour unionism, and its programme contemplates labour organization as a vital part of the country's future economic structure.

According to official reports of the Ministry of Social Affairs, China had 4,027 registered unions, with a total membership of 1,053,656 at the end of 1942, as compared with 872 registered unions and a membership of 743,764 before the war. As the working population normally eligible for union membership was estimated as being about 3,000,000, the 1942 registered membership of 1,053,656 was regarded as being quite high, when regard is had to the disturbed conditions in the country and to the fact that so many of the older industrial districts were under Japanese control. As regards the type of union structure, the report for 1942 designated 3,492 unions as craft and 129 as industrial unions; there were 122 "special" unions, of which 6 railway and 13 seamen's unions were of particular importance. However, the old-fashioned guild system still exerts considerable influence and controls members by methods similar to those of the guilds in Europe during the Middle Ages.

*Trend toward federation.*—Among the unions registered with the Ministry of Social Affairs is the Chinese Seamen's Union, with headquarters in Chungking and 12 branch unions, 154 sub-branch unions, and 437 small units, with a total membership of 37,767.

Another organization is the Chinese Association of Labour,

composed of 52 group members and 225 members, totalling more than 350,000 persons. It acts unofficially as the national organization for workers, as a National Labour Union is not yet established.

*Factors affecting strength of unionism.*—It is difficult to appraise the extent to which labour unions in China were “free” in the Western sense prior to the war. Legally, the right of free association was guaranteed under the trade union laws; and the right to strike, with certain limitations, was granted by law. However, the exercise of these rights depended in considerable part upon the political conditions in different sections of the country, for in this as in many other respects, China was not an integrated unit.

Also labour unionism in China, being quite new, had not established itself in the lives of the workers as it has in most of the older industrial countries of the West. Extensive illiteracy was a stumbling-block to strong organization, as was also the absence of trained leaders. Undoubtedly the effect of the war has been and will be to strengthen the forces making for cohesion among workers, and to widen the social consciousness of the people generally.

### Industrial Relations.

With the development of trade unionism in China came an increasing tendency toward the establishment of wages and working conditions through collective bargaining between employers and employees. However, there is no information as to the extent of these practices and no record of formal collective agreements.

### INDUSTRIAL DISPUTES.

Since the outbreak of the present war there have been few industrial disputes in Free China, and in the occupied areas the Japanese have ruthlessly suppressed any indication of discontent.

Before the war, industrial disputes in China were very frequent and quite serious, considering that modern industry and labour organization were of such recent development. Thus, in the year 1925 there were in China, not including the great Shanghai strike, at least 185 strikes, involving some 403,000 persons<sup>1</sup> and, including the Shanghai strike,

<sup>1</sup> All strike figures for China are recognized as being probably serious underestimates, owing to the difficulty of collecting such data in that country.

involving at least 780,000 persons. In the same year in the United States, with several times the industrial population of China, there were 1,301 strikes and only about 428,000 workers involved. In 1934, there were in China at least 141 strikes with more than 350,000 workers involved, as against 1,856 strikes with 1,466,000 workers involved in the United States.

Although the great majority of strikes in China had an economic basis, there was also considerable use of the strike for political reasons and even in anti-foreign demonstrations.

*Strikes in 1935, their causes and results.*—The most recent year for which strike statistics are available is 1935, the data having been compiled by the China Branch of the International Labour Office. According to this report there were, in 1935, 300 industrial disputes of which 141 resulted in strikes.<sup>1</sup> Of these, 99 cases occurred in factories. The number of workers involved was reported for only about half the strikes, the total number of such workers being 177,000. If the same rates held for the other half of the strikes, the total number of persons involved would be about 350,000. On the average each strike involved 2,600 workers and the average duration was slightly less than 8 days.

The causes of the 81 strikes for which cause was reported, were as shown below. The year 1935 was one of considerable industrial depression, and this is reflected in the fact that the strikes were used largely to prevent the lowering of existing standards.

	<i>Strikes Per cent.</i>	
Disputes over wages	56	100.0
Against reduction of wages	27	48.2
Against defaults on wages and guaranty fees	14	25.0
For increase of wages	7	12.5
For wage advancement	1	1.8
Against abolishment of extra wages	1	1.8
Unknown	6	10.7
Disputes over employment	25	100.0
Against change of employment	16	64.0
For reinstatement	2	8.0
Against partial employment	3	12.0
Against employment system	3	12.0
Other	1	4.0

The workers were either wholly or partially successful in more than half of the strikes for which this information is available.

<sup>1</sup> Lockouts are not separately tabulated.

For 72 strikes for which data on method of settlement was reported, 15 were settled by direct negotiation between the parties, 8 by the mediation of a third party, 22 through a conciliation or arbitration committee, and 27 through the good offices of other organizations; 69 disputes either remained unsettled or the method of settlement was not reported.

#### CONCILIATION AND ARBITRATION

Although conciliation and arbitration of industrial disputes by both public and private agencies are established practices in China and have been formally incorporated into law, there is no record of cases handled, other than those just cited.

The National Law on Industrial Disputes, originally enacted in 1929 and amended as late as May 31, 1943, is very comprehensive. It applies to disputes affecting 15 or more workers, except those in Government-operated establishments, and provides for a series of conciliation and arbitration boards for the handling of controversies. Administration is placed largely upon the Provincial and municipal authorities, but upon the Ministry of Social Affairs if the dispute extends beyond the boundaries of a single Province. The law is not entirely clear as to the extent to which the arbitration machinery must be invoked, but the ultimate right to strike seems to be recognized.

#### Co-operative Movement

The co-operative movement in China, from its beginning in 1919 until the Japanese invasion, had a comparatively slow development. Such growth as occurred was due largely to the activities of the China International Famine Relief Commission, the Kuomintang, the Central and Provincial Governments, and the Chinese industrial co-operatives movement.

In 1935, there were 26,224 co-operative associations reported as operating in China, of which about 60 per cent. were credit associations, mostly serving the rural areas. At that time there were no consumers' co-operatives. However, as a result of war conditions, consumers' co-operatives had a widespread development. In 1942, there were 111,697 co-operative associations (with a membership of 6,355,786), distributed by type, as follows:



	<i>Co-operative associations</i>		<i>Co-operative associations</i>
All types	111,697	Utility	389
Credit	92,134	Consumers'	2,570
Production:		Supply	669
Agricultural	7,841	Transportation and market-	2,128
Industrial	5,967	ing	8
		Insurance	

### CO-OPERATIVES AFTER THE JAPANESE INVASION

Conditions attending the Japanese invasion greatly stimulated the co-operative movement, particularly the formation of workers' productive associations or industrial co-operatives. With the Japanese occupying the industrial centre of China, and with the great westward migration of the Chinese people, the Government of China in 1938 began to establish industrial co-operatives in an attempt to reorganize the economic life of the country.

In 1940, the Co-operative League of China was formed to co-ordinate the various branches of the movement. By 1942, it had branches in 10 Provinces.

*Industrial co-operatives.*—To provide supplies for the army and civilian population and to provide employment for the refugees in unoccupied China, the Chinese industrial co-operative (C.I.C.) movement was started in 1938. By 1940, there were approximately 2,300 small, decentralized, industrial units, requiring a minimum of capital and equipment. These miniature factories were in 16 Provinces, and were under the leadership of an international committee in Chengtu with 70 branch headquarters.

These workers' productive associations include weaving, spinning, knitting, printing, and transport units; flour mills; paper mills; machine shops; glass factories; coal, iron and gold mines; leather tanneries; sugar and oil refineries; and chemical plants. The factories produce medical supplies, uniforms, hand grenades, electrical equipment, wagons, tents, stretchers, and other supplies for the army. Schools have been established to train accountants, organizers, and technicians.

The capital on which these industrial co-operatives function is extremely small in terms of United States currency, and the question of capital had become of paramount importance by 1944. It was estimated by co-operative leaders that, because of insufficient working capital, nearly half of their enterprises were forced periodically

to suspend production until enough goods had been sold to provide funds for the purchase of additional materials. With prices rapidly increasing, the revenue from sales was often insufficient to pay for enough raw materials to replace the goods sold.

In 1942, these industrial co-operatives numbered 1,590 and had 22,680 members; the number of auxiliary workers employed by the associations is not known, but was very much larger than the number of members. Table 6 indicates the industrial co-operatives, by industry, and the number of members in each industry.

TABLE 6.—*Chinese Industrial Co-operatives, by Industry and Number of Members June 30, 1942.*<sup>1</sup>

Industry	Associations		Number of members
	Number	Per cent.	
All industries .. .. .	1,590	100.0	22,680
Machine and metal works .. .. .	57	3.6	1,011
Mining .. .. .	111	7.1	972
Textiles .. .. .	584	36.7	10,449
Tailoring .. .. .	159	10.0	1,718
Chemicals .. .. .	322	20.2	4,404
Foodstuffs .. .. .	70	4.4	707
Stationery supplies .. .. .	43	2.7	749
Carpentry and masonry .. .. .	108	6.7	1,090
Transportation .. .. .	7	.4	67
Miscellaneous .. .. .	131	8.2	1,423

<sup>1</sup> Data are from *A Nation Rebuilds* (Indusco, 1943).

*Rural co-operatives.*—The Central Co-operative Administration of the Ministry of Social Welfare stated that in Free China there were, at the end of 1941, 107,904 rural co-operatives, with a total membership of 5,079,212. If the Japanese-penetrated areas had been included, the total rural co-operatives would have amounted to 116,199 associations, with 5,998,476 members. This was a considerable advance over 1937, when there were 46,983 such associations, with 2,139,634 members.

These associations were promoted by the various Provincial governments and had no connection with the Chinese industrial co-operatives. The rural co-operatives concentrated all their efforts on furthering agricultural production, marketing their members' farm products, and carrying on other activities to assist the farming population. The types of rural co-operatives in 1941 and the number of each type are as follows:

	<i>Number</i>		<i>Number</i>
Credit	92,515	Consumers	1,788
Supply	568	Utility	350
Production	10,321	Insurance	6
Marketing	2,134	Miscellaneous	222

### Social Insurance

As already noted, the Factory Law of 1929 provided that factories should compensate workers for industrial accidents and diseases, according to a prescribed schedule of benefits. However, it does not appear that this requirement was ever put into effect.

The Chinese Ministry of Information reported that a Government system of accident and health insurance was to be instituted in 1943, to be followed later by old-age and unemployment insurance. No information is available regarding actual operations under these proposals, except a report that insurance measures had been applied to salt workers in one district.

